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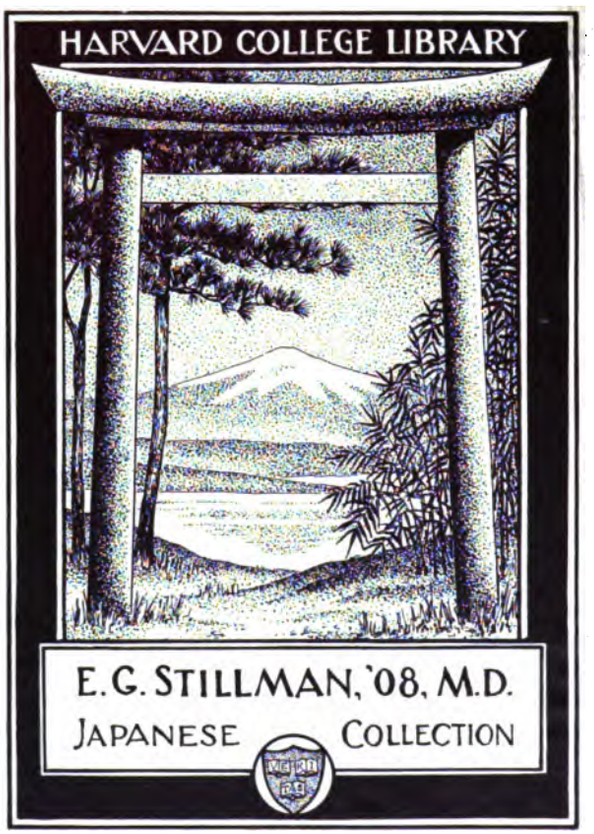

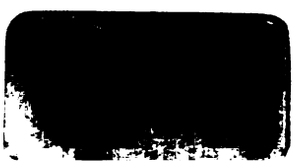

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EDITOR'S NOTE.

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THE radical revolutions in habits and government, the change in manners, the advancement in ideas, which have taken place in Japan during the short space of time which has lapsed since 1855—the year of Commodore Perry's visit—are too well known to be dealt with on the present occasion, except it be in the briefest possible way.

Prior to 1855, Japan, like many of her neighbours, had, since the age of mythology, religiously kept her ports closed to the entire world. From that year, however, as a result of the treaty entered into with the United States, she has not only willingly and gladly thrown her gates open to all without prejudice as to nationality, but has always welcomed the stranger from every land for the knowledge he has brought. The result of this interchange of ideas is on every hand apparent. Taking the statistics issued by the Financial Department it will be seen the foreign trade of Japan, between the years 1869 and 1900, shows an increase of no less than 200 per cent. Again, in our Universities, in the large commercial houses, or wherever one turns, one finds her best blood studying Western ideas. All this, taken in conjunction with recent events—I refer more particularly to the treaty which has just been concluded—goes a long way to prove that we are only now on the verge of a great commercial era in the East, and it is with a view to furthering the interests of all connected in any way with the Eastern trade that THE ANGLO-JAPANESE GAZETTE has been established.

Having in mind the very wide field which will be touched by THE ANGLO-JAPANESE GAZETTE, the greatest care has been exercised in making the necessary arrangement whereby our readers may be kept in constant touch with all matters affecting their particular interests, whether it be of a commercial or a social nature, and our patrons may rest assured that no efforts or expense will be spared in procuring the latest and most accurate information.

THE ANGLO-JAPANESE GAZETTE will contain a general summary of the month's news, gathered from the Press of the two countries, a financial review of Eastern matters, the sailings of vessels engaged in the Japanese trade, reports of shipments, etc., etc., and such other news that should make the GAZETTE an indispensable organ to that already large and daily increasing community whose interests are centred in the land of our Eastern ally.

It is to this section that I appeal for the very generous patronage and support which I feel confident they will extend. L. E.

MARQUIS ITO, President of the Constitutional Party, recently issued the following manifesto: "In view of the growing sympathy and interdependence which unite the nations together in peaceful relations, in view of the increasing efforts of each civilised Power to excel its fellows in promoting the arts of peace and the cause of progress, and especially in view of the indisputable fact that the focus of international competition is steadily moving towards the Pacific, where, owing to her geographical and historical position, Japan is destined to play an extremely important part—in view of all these facts, I consider it, gentlemen, a matter of great and urgent moment for our statesmen to strive loyally and patriotically for the preservation of the prestige which our common country has won, and for her maintenance in the new position in which, owing to the turn events are now taking, she will soon find herself.

"A HEALTHY and judicious development of the body politic being the first requisite of national strength in this competitive march forward, our party must endeavour to secure progress based solidly on the *terra firma* of intellectual and material resources. All seeming progress, all progress which is incompatible with the actual economic means of the people, is sure to end in disaster. Our party should, therefore, pay special attention, first, to the principles of economy and efficiency in the management of public affairs; and, secondly, to augmentation of the material resources of the country. In the same way the intellectual development of the country is not only in itself a very definite form of progress, but it is also a means to further its general progress. Our party should, therefore, devote special attention to the question of the education and moral elevation of the people, and should in consequence make it a point to carefully study all plans of reform which are likely to improve the efficiency of our national system of education. In short, intellectual civilisation and material strength are the only means by which we can ensure the permanent attainment of our object, which is, and has always been, 'Peace with honour abroad, progress with order at home.' As to the full meaning of this our motto, I need only refer you to an address which I delivered to you at the time of the formation of our party programme, which was issued on the same occasion. As regards the coming General Election, I think it hardly necessary for me to point out to you that your party should aim at returning to the Diet as many as possible of the candidates who pin their faith to the principles just alluded to, and are at the same time of unimpeachable character and gifted with courage enough, and constancy enough, to remain true to their convictions.

"WITH regard to the actual method of carrying on the election campaign, I shall shortly issue detailed instructions to our branch offices. Suffice it to say here that clean conduct, full freedom, and absolute good faith in all matters appertaining to the election being essential for the proper representation of the nation, our party should endeavour to avoid bringing any unlawful pressure or any improper influences to bear on the electors, and should, by our example, try to prevent others from having recourse to such reprehensible means. A sound electoral body is essential to a sound Chamber of Deputies, and it is the plain duty of our party to set the public the initiative and the example in this respect. I would also recommend the electors belonging to our party to always bear in mind that they have not only a legal right to have their voices heard, but also moral obligation to contribute towards bringing to perfection the constitutional life of the State by conscientiously exercising that right. They should, further, try to avoid all unnecessary friction amongst themselves, or in their dealings with others, likely to endanger the social fabric of our country. Above all, I exhort you to remember that we must always place the national interests before the transient interests of a political party."

THE arrogance and bad policy displayed by Lord Salisbury's son, Viscount Cranborne, when referring to the Anglo-Japanese Treaty recently, has, as might well be expected, caused great astonishment in Government circles in Tokio; but, thanks to the general protest of the Press and Mr. Balfour's apology for his cousin's bad taste, the incident can now be said to have closed.

MR. HISAMIDZU, the Japanese Consul at Singapore, has resigned his position in order to proceed to South Africa. Undoubtedly Mr. Hisamidzu's idea is to keep a watchful eye on the state of commerce, agriculture, industry, immigration, and mining there.

AN exhibition illustrating the life and art of the Japanese is to held at the Whitechapel Art Gallery. The exhibition will be opened by the Consul-General, Mr. Arakawa, on the 23rd of the present month, and will remain open until the end of August.

ON another page we give the report and balance-sheet of the Nippon Yusen Kaisha for the half-year ended March 31st last. It is satisfactory to find that the improvement in the working of the previous six months has been maintained, thanks to the skilful management which has always been so characteristic a feature of this company.

THE ANNUAL BANQUET OF THE JAPAN SOCIETY.

Two very important features distinguished the eleventh annual banquet of the Japan Society, held at the Whitehall Rooms in May last, from former gatherings. In the first place it marked the first assemblage of members since the signing of the Treaty, and, secondly, it established a record so far as these Rooms are concerned in the number of diners, no fewer than 275 guests being present.

Speeches were delivered in the course of the evening by His Excellency Viscount Tadasu Hayashi, the Japanese Ambassador and President of the Society, the Right Hon. the Lord Mayor (Sir Joseph Dimsdale, Bart.), Sir Albert Kaye Rollit, M.P., Sir George Hayter Chubb, Mr. Arthur Diósy, the Chairman of Council, etc., etc. Very important and gratifying was the announcement made by Mr. Charles Holmes, one of the honorary secretaries, that the membership of the Society had reached 1,000 members, and was well on the way to the second thousand. These results point to the very great success that has attended the untiring efforts of Mr. Diósy, whose work in connection with the Japan Society will be more fully dealt with in an early issue of the GAZETTE.

HIS EXCELLENCY VISCOUNT TADASU HAYASHI, JAPANESE AMBASSADOR TO THE COURT OF ST. JAMES, AND PRESIDENT OF THE JAPAN SOCIETY.

Photo by Elliott and Fry.

The following were among those present:—

His Excellency the Viscount Hayashi (President), the Viscountess Hayashi, the Count Matsugata (ex-Prime Minister of Japan), Madame Matsugata, the Right Hon. the Lord Mayor (Sir Joseph Dimsdale, Bart., M.P.), and Lady Dimsdale, Lord Kinnaird, Sir Trevor Lawrence, Bart. (Vice-President), and Lady Lawrence, Sir Albert Rollit, M.P., (Council), and Duchess Dowager of Sutherland, Sir George Hayter Chubb, Bart., and Lady Chubb, Sir Arthur Trendell, C.M.G. (Council), Mr. Arthur Diósy, F.R.G.S. (Chairman of Council), Sir Theodore Fry, Bart., Sir William Robinson, G.C.M.G., Admiral Sir George Digby Morant, K.C.B., and Lady Morant, General Sir Julius Raines, K.C.B., and Lady Raines, Sir Ewen and Lady Cameron, Sir J. Reid, Bart., Lady Arnold, Major-General J. H. Bedford, R.N., Major-General R. Cunliffe, Commander R. ffolliott Powell, R.N., Commander P. W. Dumas, Professor Dr. Divers, M.D., F.R.S., Dr. J. Matsue, I.J.N. (Inspector of Naval Construction), Captain C. Tamari, I.J.N., (Naval Attaché I.J.L.), Captain F. P. Fletcher Vane, Major T. Utsunomiya, I.J.A. (Military Attaché I.J.L.), Lieut.-Commander X. Yamaji, I.J.N., and Messrs. Francis Elgar (Vice-Chairman), Goji Ukita, Chancellor Imperial Japanese Legation (Hon. Secretary), Charles Holme (Hon. Secretary), Paul Bevan, M.A. (Hon. Treasurer), S. Matsugata (Imperial Japanese *Chargé d'Affaires*, Brussels), J. Megata (Director-General of Revenue, Imperial Japanese Department of Finance), Kotaro Sakura, Fleet-Paymaster, I.J.N. (Council), A. Hayao (Councillor of Legislative Bureau, Tokio), Kodama, F. Yeats Edwards (Council), Marcus B. Huish, LL.B. (Hon. Librarian and Curator), K. Matsui (First Secretary Imperial Japanese Legation), H. Ohta, C. Kadono (Council), G. Matsugata, S. Koba, M. Abé (Second Secretary, Imperial Japanese Legation), T. Aoki, W. Harding Smith (Council), A. E. Brice (Assistant Secretary), K. Konishi (Chancellor Imperial Japanese Consulate, Antwerp), A. F. Hills, A. Lazenby Liberty (Council), Jas. Dredge (Council), R. A. McLean (Council), E. Bernard (Hon. Solicitor), A. East (Council), M. Tomkinson (Council), J. Takenouchi (I.J.N.), E. Fukai, J. P. Reid (Council), S. Seki, Seujino Watauabé, M. Arakawa, Imperial Japanese Council-General (Council), M. Yauagiya, J. Tresgaskis, R. Ichinomiya, M. Matsura, F. Nozawa, S. Shiboi, E. S. Kadoorie, H. Tauaka, A. J. Mitchell, Chester Ives, A. Melson, Captain Blakeney, etc.

We give below a copy of the telegram sent by Mr. Diósy on behalf of the members of the Japan Society to His Majesty the King on the conclusion of hostilities in South Africa, together with His Majesty's reply. It will be noticed the telegram was despatched as early as 8 a.m. on the day after the receipt of the news, and must therefore have been amongst the first to reach Buckingham Palace:—

[COPY.]
8 a.m. 2/6/1902.

To HIS MAJESTY THE KING, Buckingham Palace.

On behalf of the officers, Council, and the eleven hundred members of the Japan Society, London, I very respectfully tender congratulations on the restoration of the blessings of peace.—Arthur Diósy, Chairman of Council Japan Society, 20, Hanover Square, W.

[COPY.]

BUCKINGHAM PALACE, 4.40 P.M., JUNE 2nd, 1902.—Arthur

Diósy, Chairman of Council Japan Society, 20, Hanover Square. The King thanks the Chairman, officers, Council, and members of the Japan Society for their loyal congratulations on the conclusion of hostilities in South Africa.

MR. ARTHUR DIÓSY, F.R.G.S., M.J.S., CHAIRMAN OF COUNCIL OF THE JAPAN SOCIETY.

MESSRS. S. J. KUTO AND N. KAJIWARA, who have been deputed by the Imperial Government to study the various banking systems of America and Europe, are at present in Canada. The Japanese Government has more than once appointed similar commissions, both in the United States and Europe, with a view to gathering up all the information which could be obtained on the subject. Owing to the rapid development of Japan the question of banking has become an important matter, and the Government is anxious to establish the best system which will give the maximum of security. It is well known in Japan that Canada possesses a banking system of which the chief and permanent feature is stability. The authorities have therefore deemed it advisable that a system which offered such a guarantee should be studied on the spot.

THE latest returns issued by the Japanese Department of Agriculture go to show that Japan furnishes a very considerable supply of the world's precious metals. The latest figures only refer to the year 1900, and far more progress was made last year. Including coal—the value of which was about half the total mineral value—the total value of the output amounted to £5,000,000. Other minerals were gold, silver, antimony, manganese, copper, lead, tin and iron. 2½ tons of gold were produced, value £282,000. The quantity of silver was nearly 6½ tons, value £232,700. No less than 28,000 tons of copper were raised, the total value being £1,621,710. 27,000 tons of iron were also raised.

AN Austrian Consular report states that the number of European and American firms in Japan is decreasing. At Yokohama in 1899 there were 303, while in 1900 there were only 248; while, on the other hand, the number of Japanese merchants in China and Corea is increasing. As soon as things in China return to their normal state it is expected that a large contingent of Japanese merchants will proceed thither and carry on a keen competition with foreigners. Japan is thus becoming more and more, particularly in the Asiatic Continent, an important commercial factor which ought not to be underestimated.

WITH a view to promoting trade with China, a company has been formed in Tokio, under the presidency of Baron Shibusawa, who is now in London. The Japanese Government is desirous of bringing the manufactures and resources before the Chinese, and to that end it has invited a number of influential Chinese to visit the exhibition to be held at Osaka in March next. The sum of £5,000 has been voted for entertaining the guests during the exhibition.

SWISS firms which formerly held a monopoly of the watch trade in Japan are fast being superseded by native manufacturers. While the Japanese are capable of executing the delicate workmanship required, they have not taken into account sufficiently the artistic side of the business in establishing the watch-making industry in their country. The industry, however, has produced a sufficient number of native watchmakers to make their country independent of Europeans for repairs.

A SUPPLEMENT, measuring 18in. by 14in., printed on Art paper, illustrative of the 11th Annual Banquet of the Japan Society, will be forwarded to all subscribers of the GAZETTE.

BOOKS RECEIVED.

"Napoleon: A Sketch of His Life, Character, Struggles, and Achievements." By Thomas E. Watson. (Macmillan and Co. 10s.)

"Japan: Our New Ally." By Alfred Stead. (T. Fisher Unwin. 7s. 6d.)

"London in Shadow, and other Occasional Papers." By Bart Kennedy. (Treherne. 3s. 6d.)

"Savage Island: An Account of a Sojourn in Niné and Tonga." By Basil C. Thomson. (John Murray. 7s. 6d).

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AND 5, VICTORIA EMBANKMENT, E.C.
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Shirt Tailors, Hosiers, and Glovers.
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THE JAPAN OF TO-DAY.

By CLARENCE LUDLOW BROWNELL, M.J.S.

As all the world knows, Japan has seen great changes within the past thirty years. Many of these changes are so obvious that the most cursory reader of contemporary history must have noticed them. Among these are the development of an army, a navy, a diplomatic consular service, and of a constitutional monarchy with a Diet in which the whole people have representation. None of these things existed in 1870. They have come into being with a rapidity that is startling even to the Japanese themselves. Furthermore, in spite of this rapidity, the development has been normal. It has been in harmony with Yamato Damashii—the spirit of the Japanese people.

But there have been other developments in Japan—the new Japan, which, though by no means so obvious as those I have mentioned, are of great importance. Japanese commerce, for instance, has developed rapidly in the past six years. Since the war with China, the tonnage of the merchant marine has increased from 80,000 tons to over 500,000 tons, while the total capitalisation of stock companies and other commercial enterprises has advanced from £5,000,000 to something like ten times that amount.

Such increase is significant. It shows the sincerity of the desire on the part of Japan to establish herself in a secure position commercially, that she appreciates the achievements of peace as thoroughly as achievements by force of arms—prefers them, in fact—and, particularly, that she has come to realise the value of credit in business affairs. She could not have increased her business operations so considerably otherwise, for it is no more possible to do business in Japan without credit than it is in the other countries of the world. This is a fact of great importance to Japan, and it is one that has not yet received due recognition.

This lack of recognition is not remarkable, however, when one looks into the matter. It springs largely from the experiences of the merchants who took up residence in Japan soon after the visit of Commodore Perry and the opening of several treaty ports. Previous to that, Japan had been practically shut off from foreign intercourse for over 200 years. The Dutch, it is true, had permission to send one ship a year to Nagasaki for purposes of trade, but communication between the foreigners and the natives was under the severest restrictions. International trade, therefore, and the regulations to which it conforms, were unknown to the people of Japan. The feudal system was in full operation; the upper classes, especially the Samurai, or gentry, looked down upon merchants who were at the foot of the ladder socially, being below both the farmers and the artizans. Vexatious laws often hampered the merchants then, and trade was not only in contempt, but was almost impossible. Merchants lived rather by their wits and cunning than by their integrity and broadmindedness. It was a case of giving a dog a bad name. The merchant—who was a petty tradesman really—lived up to his reputation, or, down to it, and was not admirable.

So it was that the merchants who followed Commodore Perry's coming found a low commercial morality, and perhaps it is not unjust to say that they themselves were, in some instances, rather of the adventurous class, and not over-scrupulous in their dealings. First arrivals are greedy by reputation. At any rate, the moral superiority of foreign business methods was not at once apparent to the native Japanese merchant. He looked upon foreigners as barbarians, and did not scruple to get the best of them whenever he could. He thought this rather patriotic, and unquestionably he acted very badly indeed. The only thing that can be said for him in his contract-breaking operations is that he was impartial. All foreigners, of whatever the nationality, received the same treatment.

The seaports, which by treaty were open for trade, were exactly the sort of places in which the ill effects of this low standard of commercial morality could develop. Business between foreigners and natives was prohibited outside a radius of twenty-four miles of the centre of each treaty port, and the consequence was that the foreign merchants of many nationalities were crowded together in small areas at Yokohama, Kobé, Nagasaki, and Hakodate. The fifth treaty port, Niigata, did not attract foreign trade. In these restricted areas little of the true spirit of Japanese life was evident. Society therein did not belong to any particular country, though, among foreigners, British influences predominated. Except in a business sense, there was little intercourse between foreigners and natives. The Japanese did not understand the ideas of foreign merchants, while the foreign merchants, on the other hand, knew little of the Empire as a whole, and judged the Japanese character by the experiences they had with natives in small communities distant from each other—natives who, as a class, were not high in the estimation of their own countrymen. Of course, there were misunderstandings, and trouble, more or less serious to commercial advancement, was continuous. It is these seaports, however, that have given to the world the commercial reputation she has not enjoyed hitherto.

This has been one of Japan's misfortunes, but happily the conditions have changed class distinctions, and treaty ports are of the past. Merchants sit in the Diet; even the Eta, who had no class at all, has risen to that distinction; inter-marriage is legal between any two grades of society, so that the grades have practically disappeared. The Samurai, as a class, does not exist—for with the abolition of the feudal system reason for their being disappeared. Even the forms of speech, which formerly indicated differences in rank, are modifying. In social relationships the old barriers are down. Japan is becoming democratic. In this process of readjustment, the merchant class has profited greatly. The opportunities of trade, both from the natural and the individual standpoint, have appealed to all conditions of men. That commercial prosperity brings honour to the nation is an idea new perhaps to many native minds, but, nevertheless, accepted as worthy of the utmost effort in development. So it is that men who would have scorned mercantile pursuits a quarter of a century ago are now keenly engrossed in them. The sons of wealthy nobles are in counting-houses abroad studying foreign methods; prominent merchants are putting their sons

in foreign business colleges, and are apprenticing them in foreign commercial houses; the Government has established commercial schools of a high order throughout the Empire; the various chambers of commerce are sending agents abroad; Japanese merchants are making tours of the world (several hundreds of them having made a special study of foreign methods at the Paris Exposition); and the Department of Agriculture and Commerce is sending practical trade students to the world's great marts to find out what Japan can do to meet the demands for manufactured articles in these centres.

The old-time merchant is gone, if not forgotten, and in his place is a new sort, trained and experienced with the honour of his country and his profession at heart, and an adequate idea of the integrity in commercial transactions. Under the new treaty, the restrictions of the treaty port have passed away. Foreigners may trade as freely in the interior as the Japanese themselves. They no longer require passports; they may lease land, put up factories, form companies, and buy railway or Government bonds. Thus they have opportunity to acquire more generous views of the native character, and to wear away the old prejudices acquired in the treaty ports. With the interchange of ideas that travel within Japan on the part of foreign merchants, and travel without on the part of native merchants brings about, relations between the two have improved vastly, and public opinion in Japan has made a notable change of front.

In the old treaty port days, for instance, Japanese guilds showed much partiality to natives in international transactions, but were hard on the foreigner, sometimes threatening boycott if he did not agree to their terms. There seemed to be an idea that there was something of patriotism in such methods, but more recently a case came to public notice of a certain Japanese bank which had put itself under obligations to the Russia-China bank. The cashier of the Japanese bank had signed certain papers, and afterwards the Russia-China bank made a claim for money. On technicalities the Japanese bank might have evaded payment; but public opinion, as the newspapers of the day showed abundantly, was so strong against a dishonourable settlement, that the Japanese bank did not venture to protest. This shows that the ideas of Japan's commercial honour, which the treaty port merchants had spread abroad after many unhappy experiences, may need amending.

Among other points in recent commercial developments in Japan, one may mention that the merchant marine is now entirely in the hands of the Japanese themselves, many of the vessels, indeed, being built in Japanese shipyards by Japanese workmen under the direction of Japan's engineers, and paid for by Japan's capital. Generally this has been done by private companies. The paternalism that critics have referred to is no longer popular. The Government does not go into partnership with promoters of new enterprises. It lets them quite alone so long as they keep within the law. They are out of swaddling clothes, and many of them are learning to walk in other lands. The opposition to foreign capital is disappearing, and adequate security can be had where formerly public opinion would have discountenanced looking for money beyond the borders of the Empire. The reports of foreign consuls in Japan indicate that decisions of the Japanese Courts are just, and, as extra territoriality is a thing of the past, this should be an evidence of Japan's good faith and determination to maintain a place high and honourable in the comity of nations.

C. L. Brownell.

THE NATIONAL INDUSTRIAL EXHIBITION OF JAPAN.

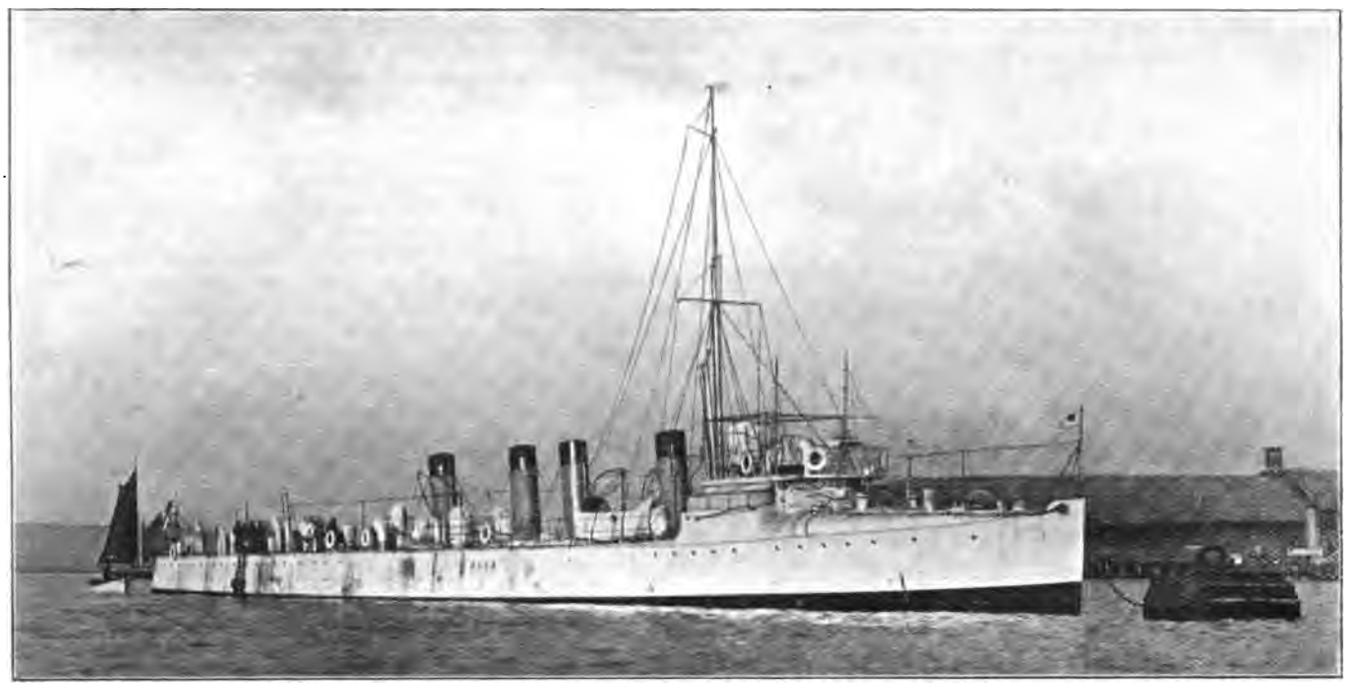
The Exhibition which is to be held at Osaka—the largest commercial centre of Japan—in March next, will present some novel and interesting features. Although the position of Japan, geographically, makes the idea of an international exhibition, in the full sense of the term, not possible, an attempt is being made to have a fair representation of goods of foreign manufacture; the attention of foreign firms is, therefore, directed to a special building, which will be devoted to the exhibits of articles produced or manufactured in other countries, and typical of industrial progress.

The Exhibition will be under the direct auspices of the Imperial Government, the primary object aimed at being to afford Japanese manufacturers an opportunity of studying the latest products of Western invention, with a view to the improvement of home industries. The establishment of the building in question offers foreign manufacturers a rare opportunity for exploiting the rapidly developing markets for the whole Far East, for the Exhibition is sure to attract, in addition to large numbers of Japanese, visitors from Continental countries. The regulations of the foreign samples building are: The building to remain open from March 1st to July 31st, 1903. Exhibits to consist of samples of such articles collected, produced, or manufactured in foreign countries as may be of value for purposes of industrial comparison and reference. Intending exhibitors should forward applications to the office of the Chief Commissioner, Department of Agriculture and Commerce, at Tokio. Every application for exhibition should be accompanied by detailed explanations of such exhibits. In case of machinery, the application should also be accompanied by a drawing or drawings. In case machines are to be worked at the Exhibition, their horse-power should be mentioned. If any intending exhibitor desires to erect at his expense a special building for the accommodation of his own exhibits, he should forward a detailed description of the proposed structure, and dimensions of such building, together with the aforementioned application for exhibition. Accepted applicants for exhibition will be required to have their exhibits arranged in the building between January and February, 1903. In case of such exhibitors as may be unable to comply with the aforementioned requirement, the arranging of their exhibits will be undertaken by the office of the Chief Commissioner on their request. If engineering work be needed in setting up or furnishing exhibits, the permission of the Office of the Chief Commissioner is required. Electric power needed for working machines will be supplied free of charge.

NEW TORPEDO-BOAT DESTROYERS FOR THE JAPANESE NAVY.

THE illustration given below shows one of the latest examples of fast torpedo-boat destroyers which the well-known firm of Messrs. Thornycrofts have recently constructed to the order of the Japanese Government.

The "Asashio," which was launched from the firm's yard at Chiswick only last month, is a sister vessel to the "Shirakumo," which hoisted the Japanese flag at Messrs. Thornycrofts in February last. The leading dimensions of the new boat are: length, 216ft. 9in.; beam, 20ft. 9in.; and at the steam trial the speed attained (as a mean of six runs on the measured mile) was 31·057 knots. The mean revolutions of the main engines were 381·4, and the h.p. 7,224. The mean speed for the three hours' run was 31·038. The engines



ONE OF THE MOST RECENT ADDITIONS TO THE IMPERIAL JAPANESE NAVY.

are of the triple-expansion four-cylinder type. The high-pressure cylinder is 22in. in diameter, the intermediate cylinder 29½in. in diameter, whilst the two low-pressure cylinders each measure 31in. in diameter, and the stroke is 19in. The boilers are the latest development of the Daring type, and maintained steam with ease throughout the runs, during which the steam pressure averaged 231lb. per square inch, and the air pressure in the stokeholds 3·12in. of water.

With the exception of the "Albatross," also built by Messrs. Thornycrofts, these vessels are not only the fastest, but the largest torpedo-boat destroyers afloat.

MESSRS. BOVRIL, LTD., have been honoured with a Royal Warrant appointing them purveyors to H.M. the King.

SHIPBUILDING IN JAPAN.

THE American Consul at Kobé states that a great impetus has recently been given to the shipbuilding industry in Japan by the patriotic spirit which has inspired the Nippon Steamship Company and the Osaka Steamship Company in placing orders for new boats with the Nagasaki Dockyard and Engine Works and the Kawasaki Dockyard Company. Four large steamers, of tonnage varying from 2,500 to 6,000 tons, have been ordered from the first-named construction works by the Nippon Company, the larger vessels being intended for the company's European and Australian lines. The Osaka Company has placed an almost equally large order with the Kawasaki Dockyard Company, this being the first time in the history of the Empire that eight ocean-going vessels have been on order at once. The first real impetus that was given to this important industry was due to the late Mr. E. C. Kirby, who established a shipbuilding yard at Onohama. With the vessels constructed by the Osaka, Kobé, and Nagasaki shipbuilding establishments trading regularly not only on the Yangtze, but also making record voyages between Seattle and the Orient, and between Japanese ports and London, the future of the industry seems practically assured.

THE coupons due June 30th of the Imperial Japanese Government Four per Cent. Loan of 1899 for £10,000,000 will be paid by the Yokohama Specie Bank, 120, Bishopsgate-street Within, E.C.

NOTICE.

THE ANGLO-JAPANESE GAZETTE *will be published on the 15th of each month. The Annual Subscription is 7s. (3½ yen), payable in advance, post free at home and abroad. Cheques, P O.O., &c., should be made payable to "The Manager," and crossed "The Hong Kong and Shanghai Banking Corporation."*

All letters relating to advertisements or of a business nature should be addressed to "The Manager," all other communications to "The Editor."

Any correspondence intended for insertion in the GAZETTE *should be accompanied by the name and address of the writer, not necessarily for publication, but as a guarantee of good faith. No notice whatever will be paid to anonymous correspondence.*

THE ANGLO-JAPANESE GAZETTE *can be obtained at all Railway Bookstalls or through any Newsagent. Should any of our readers experience any difficulty in obtaining copies, the Manager will esteem it a favour if they would acquaint him of the fact, and a copy will be forwarded from the office.*

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GENERAL NOTES.

SIR WILLIAM BISSETT, who for many years held positions of importance connected with the railways of India, and was Government director in 1897, has recently paid a visit to Japan, which may possibly result in a large investment of English money in that country. He visited Japan at the invitation of a number of owners of railways in that country, and, as the representative of a large banking house, to report on the security provided by Japanese railways for a large loan which the owners are desirous of negotiating. Without touching upon the question of the security, or the probability of its proving satisfactory, we may be permitted to point out that the result of this visit may be very beneficial in promoting and cementing the alliance between this country and the "England of the East."

THE visit has shown that the British capitalist is willing to invest his money in Japanese undertakings on the same terms as he is willing to put it into Colonial enterprises. It is in the highest degree desirable, says the *Times* correspondent, that this confidence in Japanese security should be fostered. The investment and interchange of money as between two countries is always a strong controlling power which helps to keep them together, and at the present moment nothing seems more desirable than that the Anglo-Japanese Alliance concluded some months ago should be strengthened and consolidated as far as possible. If Sir William Bissett's visit assists indirectly to that end, it will certainly be a matter of congratulation to both countries.

THE Order of the Rising Sun has been conferred by the Emperor of Japan upon Mr. Charles Holme, Hon. Secretary of the Japan Society, and the Order of the Sacred Treasure upon Mr. Paul Bevan, Hon. Treasurer, and Mr. Marcus B. Huish, Hon. Librarian, also of the Japan Society.

THE Japanese Government has made arrangements to send fifty students to England for the purpose of studying naval engineering. A number of them will be placed in establishments on the Thames, Tyne, and Clyde; while others will be distributed among works manufacturing naval and other machinery in various parts of the United Kingdom.

THE Russo-Japanese Association is the name of a new society recently formed in Tokio; the objects of the society being to promote the social, commercial, and industrial relations between the two countries. Viscount Enomoto, Baron Kaneko, and M. Tsudzuki (the Marquis Ito's companion during his recent tour), are among the more prominent persons who are lending the Association their support. The promoters consider that the development of East Asian Russia must benefit Japan, which supplies labour and materials for Russian undertakings, they also think it will open a market *vid* the Korean railways. Evidently the Association represents a practical application of the frequent argument of Russian statesmen in favour of an *entente* founded on reciprocity and material interests.

WITH reference to the Industrial Exhibition to be held at Osaka in March next, particulars of which are given elsewhere in this issue, it may interest our readers to know that the Board of Trade have now received, through the Foreign Office, copies of pamphlets containing the regulations and classifications for the exhibition. These may be seen at the Commercial Intelligence Branch of the Board of Trade, 50, Parliament Street, S.W., any day between 10 a.m. and 5 p.m.

A GARDEN party in honour of Rear-Admiral Ijuin and the Officers of the Imperial Japanese Detached Squadron under his command, arranged by the Japan Society, was held on the 14th inst., in the Royal Botanic Society's Gardens, Inner Circle, Regent's Park.

IT is stated that the Japanese displays to be made at the St. Louis Exposition will cost something approaching one million dollars.

HIS IMPERIAL HIGHNESS PRINCE KOMATSU, the Special Japanese Envoy, left London on the 3rd inst. for Dover, *en route* for Paris and Spain, where he will invest the young King with a Japanese Order. There was a large gathering of representatives from the Japanese Colony in London, as well as several members of the Japanese Legation, including Viscount Hayashi. The Prince of Wales, with Viscount Crichton, and the Duke of Connaught, attended by Colonel Egerton, bade adieu to Prince Komatsu, whom they cordially shook by the hand. There were also present Lord Onslow, of the Colonial Office, and Sir Eric Barrington, of the Foreign Office. When the train steamed out, cheers were raised for the Japanese Envoy.

THE investigations conducted by those in charge of the Tobacco Monopoly show the number of tobacco-raisers under the jurisdiction of the Central Office and its branches throughout Japan to be 217,874. The area of land under cultivation is over 1,670 miles, or 25,037 cho altogether. The total yield this year is officially estimated at 34,000 tons, or 9,430,973 kwan.

A RECENT return gives the following figures respecting the exports of tea from Japan for the month of May: San Francisco, 106,113 kin; New York, 616,769 kin; Canada, 106,195 kin; Chicago, 521,572 kin; and 5,660 kin to various ports on the Pacific coast, making a total of 1,356,309 kin.

THE Yokohama Tea Bureau have just issued a table showing the arrivals and transactions in tea at that port during the past five years:—

	Arrivals. Kin.	Sold. Kin.	Average price per 100 kin. Yen.
Jan. to May, 1898...	9,506,200	8,884,500	32·68
,, ,, 1899...	9,957,700	9,039,200	22·03
,, ,, 1900...	7,729,900	6,965,400	31·86
,, ,, 1901...	9,020,500	8,260,500	30·99
,, ,, 1902...	5,477,600	5,088,400	36·96

It will be seen by these figures that the transactions for 1902 were less by about one-half as compared with the preceding years, but, as to the price, the current year broke the record for the past several years.

MR. F. W. HORNE, of Yokohama, Japan, one of the largest handlers of American machinery in the Far East, is at present in the United States placing several contracts. It is reported that the contracts amount to £50,000 worth of machinery for the Japanese Government, and include equipment for the fifteen coast cruisers now building in Japanese and Chinese shipyards for the insular government of the Philippines, and for saw mill machinery for erection in China and in the Philippines. Contracts have already been let to the International Pump Company for thirty-eight large duplex pumping outfits, and to the Morris Machine Company for centrifugal pumps. The electric lighting and search-light equipment for the cruisers will be furnished by the General Electric Company. For the furnishing of Japanese arsenals, railway shops, and dock yards with machine tools and related appliances and supplies, the Bradford Machine Tool Company, the Bickford Machine Tool Company, the Sebastian Lathe Company, and Smith and Mills, and the Brown and Sharpe Manufacturing Company, of Providence, R.I., have also secured orders.

THE Toyo Kisen Kaisha intends adding two large steamers to their fleet. The contract for the construction of these will shortly be placed in this country. The aggregate tonnage of each vessel will be 11,500 tons, with a speed of 19 knots.

THE *Times* correspondent, in a report dated July 2nd, says that China has asked Japan to supply a teacher of international law. There is some difficulty in inducing a suitable man to accept the position. At the first meeting of Chinese students in Tokio, held on June 20th for a public discussion, over 300 attended. The speeches, which were delivered in Japanese, were somewhat imprudently outspoken in their condemnation of the Chinese educational system.

THE Bank of Japan, on the 28th ult., reduced its rate of interest from 8 per cent. to 7 3-10. The gold reserve of the bank shows 16,000,000 yen more than in the corresponding period last year.

THE Emperor of Japan has sent to the British and Foreign Sailors' Society, through Sir Claude M. Macdonald, G.C.M.G., a portrait of himself for the Passmore-Edwards Sailors' Palace. His Majesty's picture will be placed by the side of King Edward's, the German and Russian Emperor's, and that presented by the Queen of Holland, and will illustrate the international character of the Society's operations for seamen of all nations.

A REPORT from Tokio states that the Diet has decided to establish at the Industrial Experiment Station a technical school for training workers in window-glass manufacture. While the necessary materials are easily procurable, Japan at the present moment lacks the skilled artisans essential to make the industry a success. All of the window-glass now used is imported, and the market is an increasing one, since it is used for buildings of both foreign and native style. The factory, for which money will probably be appropriated at the next session of the Diet will, it is hoped, be working in a year, and in the course of two or three years will be able to supply enough skilled artisans to carry on the work in private factories. In the meantime one or two Japanese have been sent to Germany to study the art; but it is probable that foreigners will be employed to teach methods, assist in the selection of machines, and in other arrangements for the plant.

A JAPANESE Company is building a railway from the Korean capital to the extreme southern outlet, and the Imperial Government has given a guarantee of 5 per cent. on the shares of the Company.

A PROVISIONAL contract for the formation of a match trust in Japan has been signed at Yokohama, the parties conducting the negotiations being a Mr. K. Shidzuo and Mr. Gould, the well-known American financier.

COMMERCIAL EDUCATION IN JAPAN.

Lord Reay, in introducing a deputation to the Education Department in London some time ago, stated that if we studied the educational system of Japan we would be able to extract many lessons which would be of use to us. The Japanese have made many advances, not only in technical but also in general education, for they have been wise enough to recognise that real progress is impossible without a solid basis of general culture. Moreover, they do not interpret technical education in the narrow sense in which it is usually interpreted, but, under it, include all that is necessary for carrying on the industrial and commercial business of the nation. They believe that commercial training is just as necessary as what is usually considered technical training, for they recognise that the advantages to be derived from the applications of science may, to a large extent, be lost without a proper knowledge of the financial and economic conditions necessary for success.

It is becoming evident that industrial undertakings are being more and more dominated by financial and commercial considerations. When works were small, and local conditions largely governed prices and wages, and before the extension of the telegraph and other means of communication, such methods were possible: but now the various parts of the commercial and industrial world are united, and huge combinations dominate the markets. The wonderful effects of the system of scientific and technical education which, in little more than a quarter of a century, has enabled Japan to come out from her seclusion and enter the comity of nations on terms of equality with the other leading nations of the world is common knowledge; but it is not so generally known that during the same interval great attention has also been paid in Japan to the commercial side of education.

At present there are 27 public schools in Japan, inclusive of the Higher Commercial College of Tokio, scattered all over the country, and no less than 300 well-trained young men enter the business life of the Empire from these schools every year. These schools can be classified into three divisions, according to their standard of education, namely:—(1) The Higher Commercial College; (2) Ordinary Commercial Schools; (3) Elementary Commercial Schools.

The Higher Commercial College of Tokio belongs to the first class (but another college of the same class will soon be established in Osaka). The second class consists of the commercial schools of Osaka, Yokohama, Kobé, Kioto, Nagoya, etc. Elementary commercial schools are to be found in many parts of the Empire. The ordinary and elementary commercial schools, although they are municipal organisations, are partly supported by the Central Government. Besides these public institutions there are numerous private adventure schools in the large cities; but, with few exceptions, these are of minor importance.

The College at Tokio was organised by the Department of Education in 1885; the system generally adopted was that of the Institut Supériéur de Commerce d'Anvers. Gradually the standard has been raised, as students who had been trained abroad returned to Japan, and were appointed professors in the College. In addition to the Japanese professors, several foreign professors for commercial subjects and languages have been called in; also Japanese and foreign professors of the Imperial University of Tokio, the College of Navigation, etc., as well as some judges of the Supreme Court and the Tokio Court of Appeal, for various other subjects of study, have been engaged by the College. The work of the College is supplemented by sending a number of the best students to foreign countries for the study of special departments; and these, after their return to Japan, have, almost without exception, taken high positions either as teachers or as business men. The last edition of the Calendar of the College to hand shows that the faculty consists of fifteen Japanese, six foreign professors (one Belgian, two English, one French, one Italian, and one Chinese), sixteen lecturers, and eight assistant professors.

Formerly there was attached to the College a School of Foreign Languages, but this has now been constituted a separate and independent institution. Its staff consists of seven Japanese professors, eight foreign professors, four lecturers, and three assistant professors. The number of students is now a little more than 500, and that of the School of Foreign Languages is about 200. The standard of instruction in the Higher Commercial College is the same as that of the Imperial University Colleges, and the matriculation examination is of a high standard, including all the subjects of a Secondary school. The course of instruction extends over one year in the Preparatory Course, three years in the Principal Course, and two years in the Professional Department or the Post-Graduate Course, making a total of six years. The course in the first year includes the preliminary, literary, language, and scientific studies which are applied in commerce, and in addition commercial morality and gymnastics. Special attention is paid to the two last-named subjects, as

PRINCE YASHIMOTO AT WORK IN THE ALTOONA ENGINE SHOPS, PENN., U.S.A.

it is considered of the utmost importance that the students should have implanted in their minds high ideals of business morality; and also that they should have a good physique and sound health, as a basis for social integrity and usefulness in the commercial world. The principal course of study, extending over three years, includes all the more theoretical subjects necessary in a commercial course, such as commercial and industrial geography, commercial and industrial history,

A GROUP OF WORKMEN AT PENNSYLVANIA R. R. CO.'S ALTOONA WORKS, U.S.A. PRINCE YASHIMOTO IN THE FOREGROUND.

political economy, public finance, statistics, civil law, commercial law, international law, science of commerce; besides languages, both European and Asiatic.

A course in mechanical engineering is given, in order that the students may understand the difference between the domestic and the factory system of production, and at the same time have a fair knowledge of the mechanical processes of manufacture. The professional course is intended for such graduates of the principal course of the College as are desirous of pursuing their studies further in one particular branch, or to engage in the Consular Service. The courses of study are as follows:—Economics; Economic History and Geography; Civil Law; Commercial Law and Marine Law; Public International Law; Private International Law; Constitutional Law and Administrative Law; Consular Service Practice; Foreign Languages; Foreign and Domestic Commercial Usages; Banking; Railways; Shipping and Insurance.

The courses of study in this department have proved themselves to be very useful, especially for those who applied for Consular examination. The College has attached to it a very complete commercial museum, and it does not neglect the social aspects of education, there being a number of clubs and societies which bring the students together in a social capacity, and also help to make them known to the people of Tokio. One of the directors, in a report from which the above particulars are taken, does not claim that the system which has been evolved in Japan is the best in all respects. He says, truly, that it is a question of expediency which must be decided according to the needs and characteristics of the respective countries.

THE CHIEF MANAGER OF THE HONG KONG AND SHANGHAI BANKING CORPORATION.

Among the names in the recent list of Honours of those raised to the dignity of Baronet was one particularly familiar to many of our readers. We refer to Sir Thomas Jackson, the highly esteemed chief

SIR THOMAS JACKSON, BART.
Photo by Elliott and Fry.

manager of the Hong Kong and Shanghai Banking Corporation. Sir Thomas, who is now in his sixty-first year, commenced his career at the Belfast branch of the Bank of Ireland in 1860. After serving a four years' apprenticeship, he left Belfast in 1864 to take up a position in the Bank of Agra. He was not destined, however, to remain long in Agra, for in 1866 he was offered a post on the staff of the Hong Kong and Shanghai Bank at Hong Kong, which he accepted, and in the comparatively short space of ten years assumed the responsible position he now holds.

JAPAN AND ITS TRADE.

THIRTY-FIVE years ago Japan possessed no railways, no telegraphs, and no steamships. Such oversea trade as it had, was conducted almost in spite of itself by foreigners, and the great natural resources of the country had not been so much as scratched. Since the Great Awakening in 1867, railways and telegraphs have been laid and developed, steamships have been built, and the trade of the country has not only expanded enormously, but the carrying of it has to a considerable extent been secured in native hands. Whatever we may think of this in Great Britain, and however much we may think our British monopoly as the carriers of the world has been infringed, there can be no doubt that the expansion of Japan's carrying trade has been very much for the benefit of the country itself.

It is not necessary to go into details as to the manner in which Japanese trade has developed. We may, however, just indicate the wonderful expansion which has taken place. In 1890 the exports were valued at £5,668,700, last year they were valued at £25,760,700; in 1890 the imports were valued at £8,183,600, last year their value reached £26,114,600. In eleven years, that is to say, the volume of Japan's foreign trade has nearly quadrupled. The interest of the British Empire in this trade is very great. Last year the United Kingdom, India, and the Colonies sent to Japan £10,867,400 worth of goods, and bought from thence £7,016,800 worth. One-third of the whole trade of Japan is done with the British Empire. Our most important rival is the United States, whose share of the trade last year was £11,747,600, or rather more than one-fifth. China, Japan's nearest neighbour, is a large customer; but China can hardly be said to compete with ourselves. Our competitor *par excellence* is America; and though at present we have the best of the battle, it will take all our energy and resources to hold our own in the growing Japanese market.

The development of Japanese trade has brought dangers with it which many people have some difficulty in understanding. It is not at first sight easy to perceive that great external trade expansion may have as its immediate effect great internal commercial depression. It is, however, quite possible for a country to have too much money to spend abroad, and to spend it too quickly. This is what happened to Japan. The Chinese war indemnity put the Japanese Government in possession of so much ready money that large sums were expended here and in Europe in war ships and war material. These purchases swelled the value of the imports to such an extent that they largely exceeded the exports, and gold had to be sent out of the country to make up the difference. In 1900 the outflow of gold and silver was as much as £4,600,000 sterling, and the internal scarcity of specie caused many banks and commercial houses to be unable to meet their engagements. To provide against the serious emergency which had arisen, the Government modified their spending programme materially in 1901, and a fortunate expansion in exports brought the totals of imports and exports last year so nearly together that the balance was restored. It must be remembered that Japan has no means of inducing gold to flow to the country, or of checking an outflow, such as we possess in London in the "Bank rate." The Bank of England in a matter of this kind has world-wide power, but there is no bank in Japan which can exert a fiftieth part of that power. For this reason it is necessary for Japanese trade to move in parallel columns, and that country must not buy much more in any year than it can pay for by means of the goods which it exports.

Now that the balance of trade has been restored and confidence has returned in Japanese commercial circles, British merchants feel less anxiety in their dealings with the country. But the restriction in imports which took place in 1901 affected, to a serious extent, our trade. Most other countries suffered in the same way, some to an even greater relative degree than ourselves. On the other hand, British India and Hong-Kong witnessed a revival in their trade both as regards imports and exports. The most important decline as regards the United Kingdom was in the imports of cotton yarns and goods. Iron and steel goods also fell off considerably in value. Japan now does the bulk of its own cotton spinning, and the external trade in yarns is practically at an end. Local mills for the manufacture of cotton cloths are springing up, and although these involve purchases of machinery, they also involve a falling off in the demand for Manchester goods. The United Kingdom sends large quantities of machinery and engines to Japan, but it is feeling keenly the competition of the United States. The bulk of the material entering into the construction of men-of-war and merchant ships built in Japan still, however, continues to be British, and we are builders of a good number of complete ships. An important point in connection with the supply of ships should not be lost sight of. This is that orders for ships given to any country pave the way for the subsequent supply of material for similar vessels which may be constructed in Japan.

America has for the moment been successful in getting contracts for locomotives in open competition with British builders. The Government Railway Bureau for the Main Island has been in the habit for some years past of specifying for British locomotives, but towards the end of 1901 an order for thirty locomotives went to the United States at a price of £77,442, the lowest British tender being £86,795. This is the first time that the Japanese Government has placed British and American makers in competition on the same specification. One reason assigned for the preference given to the United States was the presence in Japan last year of a representative of the successful American firm, the Schenectady Locomotive Works. The defeat of the British locomotive builders might cause one some anxiety but for our experience of American locomotives in this country, in India, and on many foreign railways. These locomotives, while cheaper in first cost, have proved to be so much more expensive to work that the initial saving is soon obliterated and a loss made in the long run. The result so far of experiments with American engines has been for the ultimate advantage of the British builder. We can only hope that Japan will be no exception, and that British makers will soon regain the ground which they appear to have lost. YEN.

JAPAN'S NEW CONSUL-GENERAL FOR LIVERPOOL.

ALTHOUGH a Dutchman by birth, Mr. Hemelryk, the newly-appointed Japanese Consul-General for Liverpool and district, and senior partner in the great cotton firm of Messrs. Hornby, Hemelryk and Company, has for more than forty years occupied a position in Liverpool's commercial and social affairs that has gained for him the proud distinction of being one of the most notable and esteemed foreigners resident in that city.

MR. P. E. J. HEMELRYK.
(*Photo by Barraud.*)

While occupying a leading position on the Exchange, Mr. Hemelryk has always actively interested himself in general questions, political, social, and commercial. In 1882 he commenced an agitation in favour of direct telegraphic communication with the Continent. The matter was taken up by the Cotton Association, who appointed him their delegate. He travelled over Europe, being received in audience by the principal Ministers of Posts and Telegraphs, in order to bring home to them the importance of improved communication, and, as a result of his efforts, the British Government made conventions with Germany and France; direct cables were laid between Liverpool and both Hamburg and Havre. To Mr. Hemelryk is due the formation in 1883 of a Settlement Association for the fortnightly payment of differences between members of the Cotton Association, and he remained its chairman until two years later, when his scheme was adopted by the latter body. A subsequent change connected with this was the formation of the Cotton Bank.

Mr. Hemelryk has filled the office of the Vice-President of the Liverpool Chamber of Commerce and Chairman of the Committee on Trade. He was a delegate of the Chamber at the International Conference at Venice on Commercial Education, and has from time to time delivered speeches on Commercial Education in London and many of the large provincial towns. He is the author of several pamphlets on Commercial Education, and is Chairman of the City of Liverpool School of Commerce. Mr. Hemelryk was until lately a Director of the Liverpool Institute. Among other accomplishments Mr. Hemelryk is a great linguist, being fluent in no less than five languages.

UNITED STATES TRADE WITH JAPAN.

THE annual returns of the Foreign Trade of Japan show that whereas in 1881 the United States furnished less than 6 per cent. of the imports of Japan, in 1901 they amounted to 17 per cent. The following table shows the increase of some of the more important articles in the importations of Japan from the United States, comparing 1901 with 1896:—

	1896. Yen.	1901. Yen.
Electric light apparatus	272,184	375,521
Fire engines and pumps	24,434	148,292
Farmers' and mechanics' tools	83,393	128,690
Locomotive engines	416,106	783,356
Paper-making machinery	123,520	251,942
Rails, iron	374,910	997,825
Iron pipes and tubes	73,941	541,049
Iron nails	232,319	668,490
Lubricating oil	192,624	278,626
Submarine cables and underground telegraphs	none	167,536

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THE SAN-YO RAILWAY.

By the completion of the San-yo Railway, all the principal cities and provinces of the two most important islands of the Japanese Empire are brought into communication. The total length of the line from Bakan to Hiogo is about 330 miles, connection being made at Hiroshima by a branch line running to Ujina, a distance of about three and a-half miles. The Eastern terminus is at Hiogo, at which point the railway joins the Tokaido line, thus allowing for through communication with the whole of the Central and Northern systems. At Bokin—situated on the north-east coast—commodious ferry steamers of the most modern design convey passengers across the straits to Moji, the Northern terminus of the Kinshin line.

The journey between Hiogo — the seaboard town for Kobé—and Bakan is accomplished by express trains in twelve and a-half hours. To the day service of trains dining saloons and refreshment cars are attached, while on the through service of night trains sleeping cars are provided, all carriages being lighted and heated by electricity. Bakan, the Western terminus of the line, has a population of some 45,000 inhabitants, and promises in the near future to become an important commercial centre, together with Moji, on the other side of the straits. In fact, a large hotel and customs' offices have already been erected at Bakan for the convenience of passengers arriving by foreign steamers.

The San-yo Railway traverses many of the most picturesque provinces in Japan. The scenic surroundings of the line winding along the harbours and headlands of what is confessedly the most beautiful sheet of water in the world, will make the railway famous. Japan, with all its varied beauty and charm, has, perhaps, no more beautiful attraction than its wonderful coast, broken, as it is, into an infinite variety of form, and gleaming with verdure and colour. After leaving Hiogo, the railway passes through Suma, the scene of a famous battle fought in the twelfth century. A splendid view is also obtained of the magnificent ruins of the towers of the Castle of Akashi. At Himeji the line passes in full view of one of the most imposing and best preserved examples of castellated architecture to be found in Japan, and thence past Naba and Okayama, affording travellers a glimpse of the foundation walls of Fukuyama, crowned with their graceful towers, bringing to mind the feudal days of the mediævalism from which the Empire has emerged in the short space of thirty years. Before reaching Bakan is the town of Cho Fu, placed in the most picturesque part of the shore of the Inland Sea, a celebrated summer resort—a feature of the place being the large number of Japanese villas of very elegant design. Near by is Dannoura, bombarded by the foreign fleets in 1868, and selected in 1895 for the peace negotiations between China and Japan. The advantages of the San-yo Railway, from a commercial point of view, are many, while its strategic value is doubtless considerable.

The celebrated Inland Sea of Japan, along the northern shore of which the line runs, furnishes to the navies of the empire such a point of vantage and harbour of refuge as is perhaps unsurpassed by any other country in the world, bringing as it can to bear upon the northern shores all the resources of the land; the cost of the line amounting to some 24,000,000 yen, or £2,250,000. In passing, I may mention that the San-yo Railway is constructed throughout with the American plant, the rolling stock and appliances all been supplied by American firms.

The six principal concerns engaged in the silk-spinning industry in Japan have amalgamated, and the business will be carried on in the future as the Kenshi Boseki Kaisha. Daichi Kenshi Mill will be the head office, the other concerns being declared branches. The aggregate capital is 2,930,000 dols.

Those of our readers who anticipate making a trip to the Far East could not do better than consult Messrs. Normans, the well-known tourist agents, of 33, Haymarket, London, and Casion Building, Broadway, New York. Mr. N. J. Norman, the head of the firm, has had considerable experience in the arranging and booking of tours. The issue of Continental and British railway tickets, is also undertaken. Remittances made to all parts of the world by draft or cable; foreign money exchange, postal and telegraphic matter received and reforwarded to clients; baggage stored, and forwarded to all parts. Arrangements have also been made whereby passengers are met by representatives at port of destination.

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MEETINGS AND REPORTS.

The Nippon Yusen Kaisha.

The directors of the Nippon Yusen Kaisha, in their report for the half-year ended March 31st last, state that the gross profits amounted to yen 3,437,437.718, out of which there has been paid: depreciation on the Company's fleet and property, yen 650,065.583; insurance fund, yen 160,404.250; ships' structural repair fund, yen 388,456.100; total, yen 1,198,925.998; leaving a balance of yen 2,879,600.915, including yen 641,089.190 brought forward from the last account. The directors propose that yen 111,925.950 be added to the reserve fund, raising it to yen 1,556,325,480; yen 700,000 to the fund for the extension of services and improvement of the fleet, bringing that amount to yen 1,200,000; and that yen 68,498.460 be allowed as directors' and auditors' fees. From the remainder the directors recommend a dividend at the rate of 10 per cent., together with 2 per cent. as special dividend, thus making 12 per cent. per annum, which will absorb yen 1,320,000, 679,176.865 yen being carried forward to the next account.

The Nippon Yusen Kaisha Balance Sheet, March 31st, 1902.

Liabilities.	Yen.	Assets.	Yen.
Share Capital	22,000,000.000	Reduced Book Value of Fleet	22,293,688.138
Debentures	1,300,000.000	,, ,, Launches, Barges, etc.	236,005.541
Insurance Fund	1,977,090.474	Payment on Account of new Ships ...	303,850.030
Repair Fund	1,643,791.880	Buildings and Land	3,643,212.948
Reserve Fund	1,444,399.806	Yokohama Stores Department, etc. ...	943,910.687
Dividend Equalisation Fund	3,300,000.000	Public Loans and other Securities ...	722,311.540
Fund for the Extension of Services, etc.	500,000.000	Cash at Bankers and in hand	8,446,272.972
Sundry Creditors	4,495,369.404	Coal in Stock	94,256.780
Amount brought forward	641,089.190	Sundry Debtors	2,856,744.022
Net profit for the Half-year	2,238,511.725		
	Yen 39,540,252.578		Yen 39,540,252.578

Profit and Loss Account.

	Yen.		Yen.
To Depreciation	650,065.583	By Balance brought forward September 30th, 1901	641,089.190
,, Insurance Fund	160,404.250	,, Amount of Gross Profits for the Half-year ending March 31st, 1902	3,437,437.718
,, Repair Fund	388,456.100		
,, Reserve Fund	111,925.950		
,, Fund for Extension of Services, etc.	700,000.000		
,, Directors' and Auditors' Fees ...	68,498.460		
,, Dividend (10 per cent.)	1,100,000.000		
,, Special Dividend (2 per cent.) ...	220,000.000		
,, Balance carried	679,176.865		
	Yen 4,078,526.908		Yen 4,078,526.908

Peninsular and Oriental Steam Navigation Company.

The directors of the Peninsular and Oriental Steam Navigation Company announce an interim dividend at the rate of 7 per cent. per annum on the deferred stock for the half-year ended March 31st. The distribution at the corresponding period of last year was at the same rate.

Indo-China Steam Navigation Company.

The report of the Indo-China Steam Navigation Company, Ltd., for 1901 shows that although the earnings are somewhat below the previous year, owing to the disturbances in China, they may be regarded as satisfactory. After placing £30,000 to the reserve fund, the revenue account shows a balance for appropriation of £67,246 16s. 6d. This allows for a dividend of 6 per cent. to be paid for the last six months of the year, making, with the interim dividend of 4 per cent., a return of 10 per cent. per annum. It is proposed that the balance of £17,657 16s. 6d. be carried forward to the current year. The year's accounts have been adjusted at 1s. 11d. per dollar, a little under the average rate of exchange that prevailed in 1901. In consequence, however, of the recent heavy fall in silver a considerable drop in exchange has now occurred, and the directors have thought it advisable to place the China assets on a safer basis by reducing their valuation to 1s. 8d. per dollar. The difference is taken from exchange reserve account, leaving at credit of this item £870 13s. 10d. The balance at credit of underwriting account stands at £232,357 4s. 3d.

The Editor will be glad to receive from the Secretaries of Companies interested in the Eastern trade copies of their reports for publication in the columns of the Gazette.

FINANCIAL NOTES.

COUNT MATSUGATA is, without doubt, one of the greatest financiers Japan has produced. It is to him that Japan is indebted for the redemption of the inconvertible paper money with which she found herself saddled after the disastrous Satsuma Rebellion of 1877—a stroke of financial policy which rendered possible the phenomenal industrial and economic progress that the Empire has made in recent years. To him also is due the credit of placing the monetary system of Japan on the gold basis, thus bringing his country into direct and intimate financial touch with the great commercial nations of the world. For these and other important services he enjoys the confidence and respect of Japan's financial and business world in a larger measure than any other statesman now living. Count Matsugata has held the office of Minister of Finance four times, and was Prime Minister in 1896-1897. He comes from Satsuma, a province which has supplied Japan with so many of her illustrious statesmen. Although now in his sixty-sixth year, his country counts upon many more years of valuable service.

VERY many rumours were current during the recent visit of Count Matsugata, that most frequently put forward being the question of negotiating a loan on behalf of the Japanese Government, but when interviewed he (Count Matsugata) flatly denied that the making of his trip was in any way connected with financial matters, Japan not being in want of a loan. The object of his journey was, he stated, to study the business methods of the more advanced countries. The great aim of Japan is the development of her resources, and he hoped by personal study to gather information that may be useful to his countrymen.

THE ordinary revenue of Japan at the present time greatly exceeds the ordinary expenditure, while the surplus is almost sufficient to cover the extraordinary expenditure, which, owing to the extra outlay required for the Army being now ended, and the large amounts allotted for Naval purposes rapidly drawing to a close, will in the future be greatly reduced. The Navy will, of course, have to be maintained in full efficiency; and, as that was foreseen, a reserve for the purpose was set apart from the Chinese indemnity, amounting to over £3,000,000. Henceforward a further sum will be added to that reserve from the surplus of the ordinary revenue, amounting to £600,000. Thus the inconvenience of a large and sudden demand coming upon the Treasury is obviated, and the means for keeping the Navy in full efficiency are provided.

Two other amounts of £1,000,000 each have been set aside from the Chinese indemnity, one for education, the other for relief in case of great calamities; the interest on both being employed in furthering education. It will be seen with how much foresight the future requirements of the country were arranged for. With regard to public works, intended for the development of the natural resources of the Empire, Count Matsugata stated that all the leading men in Japan are agreed that it would be impolitic for the Government to raise loans for such a purpose. When the Chinese indemnity was paid the inflow of so much money inflated the currency, excited speculation, with the result that the balance of trade turned greatly against Japan, and that ultimately a crisis was brought on. The crisis has put a stop to rash enterprise, so that the balance of trade is once more in favour of Japan, and instead of exporting gold, she is now importing it.

THE development of Japan is still in some respects backward. The accumulated capital is small for the demand upon it, and the latent natural resources of the Empire are vast. Therefore, it will readily be seen that there is more to be done than the accumulated capital of the country can accomplish immediately. And if foreign capital were prudently employed, it would, undoubtedly, be of immense benefit to Japan, and prove very profitable to its owners.

COMMERCIAL AFFAIRS.

WINDING-UP PETITIONS.

BANK OF CHINA AND JAPAN, LTD. Claims to J. H. Skinner, 36, Nicholas Lane, E.C., liquidator, by July 24th. Hearing and adjudication, at the office of the Registrar, Bankruptcy Buildings, London, January 28th, 1903, at 12.

DISSOLUTION OF PARTNERSHIP.

HENDERSON, GEORGE AND CO. (George Henderson and Bernhard Feith), 65 and 66, Basinghall Street, E.C., general importers and exporters.

HINDLEY AND BUSS (Henry Samuel Plucknett Hindley and Ernest Buss), 19, Berners Street, Oxford Street, general merchants, importers, and exporters. March 31st. Debts by Ernest Buss (June 24th.)

PEEK, FREAN, AND CO. (John Carr, Ellis Carr, Arthur Carr, and Huntington Stone), biscuit manufacturers, merchants, and estate proprietors. May 24th. The business of biscuit manufacturers will be continued by Peek, Frean, and Co., Ltd., as from January 1st, 1901, the business of merchants and estate proprietors having been otherwise disposed of. (June 20th.)

SOME RECENT CHARGES CREATED BY LIMITED COMPANIES.

TOKIO CAFE AND RESTAURANT CO., LTD.—Registered June 20th, £250 debentures.

CHINA EUROPEAN FILATURE CO., LTD.—Registered May 17th, £12,000.

THE official returns first issued by the Chinese General Customs Office show that the foreign trade during 1901 amounted to 437,959,675 taels, of which imports figure at 268,802,918 taels. The increase over the preceding year is 57,232,496 taels, and the principal imports are:—Opium, 49,460 piculs; cotton yarn and piece goods, 99,651,999 taels; woollen yarn and piece goods, 4,727,371 taels; minerals, 10,428,662 taels. The entries of vessels to the various ports of China during the year total at 48,419,000 tons, 54 per cent. being English, 16 per cent. German, 11 per cent. Japanese, 2 per cent. French, 2 per cent. American, and 1 per cent. Russian.

THE ANGLO-JAPANESE GAZETTE

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PURVEYORS TO
H.M. THE KING
AND
H.R.H. THE
PRINCE OF WALES.

Sloe Gin,

**Cherry Brandy, Cherry Whisky,
Apricot Brandy, Peach Bitters,
and other Liqueurs.**

COLLIER & CO.,

**PLYMOUTH,
ENGLAND.**

PRIZE MEDAL, PARIS, 1900.

THE PORT OF SHIMONOSEKI.

THE REPORT JUST RECEIVED FROM Mr. Consul Playfair relating to the foreign trade of the district of Shimonoseki for 1901, and the first which has been issued as a separate document, is in every way satisfactory, showing as it does an increase of £331,858 as compared with the previous twelve months. It appears from this report that the growing importance of these ports—Shimonoseki and Moji—is due almost entirely to the export of coal, distributed as follows: China, £425,796; Hong-Kong, £336,069; British India, £214,682; United States and Philippines, £87,185; Dutch Indies, £51,642; Russian Asia, £10,308; France, £9,055; Corea, £6,986; total, £1,141,725. While owing to its convenient situation as a distributing centre, a great quantity of the sugar and other goods required by such large consuming districts in Kiushiu is now imported *vid* Moji, whereas formerly they came though Nagasaki.

Machinery and materials required for the Government steel foundry at Wakamatsu and for the use of the Kiushiu and Sanyo Railway Companies, is also delivered at Shimonoseki. It is expected, however, that the import of machinery will show a considerable falling off in the near future, as the steel foundry is now well equipped, and the last section of the San-yo Railway line between Shimonoseki and Kobe completed.

THE TRADE OF FORMOSA.

DURING the period from 1895—the year in which the island was acquired by Japan—to 1899, no appreciable advancement was shown by Formosa, but during that time the authorities were conducting a series of practical experiments and investigations on a very extensive scale, and as a result of these investigations have introduced a scheme to aid in the promotion of industrial enterprises. In addition to State-aided undertakings, carried out under Government control, arrangements have been made for the establishment of depots for the training of natives, and for the carrying out of experiments for the improvement of the manufactures, cultivation of tobacco, and general agriculture. For the present year a sum of 149,700 yen has been appropriated for the encouragement and improvement of the sugar industry and the regulations relating to the official organisation and function of the Sugar Bureau will be published shortly.

The weaving industry in Formosa has been found to be a lucrative business, and an experiment is proposed for the weaving of stuffs from the tissue of pineapples, ramie, etc., which are largely exported to China. An appropriate subsidy will be granted this year by

the Government for the encouragement of the manufacture of porcelain, the cultivation of tobacco and sericulture. The establishment of the station for training of natives in business methods has been taken in hand, the sum of 3,000 yen being set aside for this purpose. The experiment station for the culture of vegetables was established last year, but only 1,850 yen were at first appropriated, the amount being increased to 7,625 yen this year.

Since writing the above we have received Mr. Consul Layard's rather gloomy report on the trade of North Formosa for 1901. This shows that Formosa, in common with her neighbours, has experienced a slight wave of trade depression, the returns for the six principal ports showing a falling off of £209,500, as will be seen from the accompanying table.

	1900.	1901.	Increase.	Decrease.
	£	£	£	£
Imports—				
Tamsui ...	965,185	764,231	—	200,954
Kelung ...	772,860	836,713	63,853	—
	1,738,045	1,600,944	—	137,101
Exports—				
Tamsui ...	707,584	485,979	—	221,605
Kelung ...	280,349	505,220	224,871	—
	987,933	991,199	3,266	—
Other ports—				
Imports ...	98,594	100,704	2,110	—
Exports ...	194,511	116,736	—	77,775
	293,105	217,440	—	75,665
Total ...	3,019,083	2,809,583	—	209,500

It must be remembered, however, that the two preceding years showed very substantial gains. The increases in 1900 amounting to nearly £200,000, or £800,000 more than in 1898.

Railways.

Very great improvements are continually being made in the facilities for transportation, especially by the railway companies.

Over 76 miles of railways are now in working order in the Daidstei and Tamsui districts, of which some 63 miles form the northern section of the main line.

In the south the line is in working order as far north as Kagi (67 miles from Takow), thus making in all some 143 miles over which traffic is running. It is hoped to extend the line for traffic to Chuko, over 11 miles beyond Shinchiku, by September next, and to Byoritsu, about 10 miles further, by March, 1903, whilst in the south the line will be completed to Tarimu, 14½ miles north of Kagi, within the current year. 16,490 feet of bridgework have already been put in position, and 21,059 feet remain to be built before the line is completed.

The gauge is 3 ft. 6 in. with 60-lb. rails generally, but 36-lb. rails are employed on a part of the main line. The line is laid on wooden sleepers, Japanese chestnut-tree and Formosan timber being employed. The cost of construction is, from £5,208 to £15,625 per mile; for the bridges, £38 to £81 per yard; and for tunnels, from £25 to £50 per yard.

The cost of labour for Japanese and Formosan workmen employed on the railway is: Carpenters, 2s. 6d., 1s. 6d.; sawyers, 2s. 7d., 1s. 6d; masons and plasterers, 3s. 2d., 1s. 7d.; roofers, 2s. 9d.; coolies, 1s. 6d., 9d. to 10d.; workmen for scaffolding, 2s. 1d.; navvies, 1s. 11d.; painters, 2s. 9d., 1s. 7d.; and iron smiths, 3s. 2d.

Cost of transport for passengers is at the rate of 6 sen (1½d.) per mile for 1st class, and half that sum for 2nd class. Heavy goods are charged a mileage according to description, from about 3½d. to 6d. per ton.

Most of the material (including locomotives) for the railway has been imported from the United Kingdom and the United States, but the larger proportion from the United Kingdom; whilst the rolling-stock is built locally with imported ironwork. Nearly all the bridgework, girders, &c., have their origin in the United Kingdom or the United States, but those of plate girder type are imported in plate and are built up by the local branch works of the Osaka Kisha Kaisha.

Four contracts were entered into by the railway department during the year. One with Messrs. Okura and Co. for six radial tank engines (£13,325), made by Messrs. Nasmyth, Wilson and Co., England; the second of £58 for shop tools and machinery with Messrs. Samuel, Samuel and Co., supplied by London Bros. and Thom. Firth, England; a third with Messrs. Okura and Co., for shop machines from Messrs. London Bros., valued at £937; and the fourth, valued at £3,311, with another Japanese firm, Messrs. Yokoyama and Co., for twenty-five span plate girders, supplied by the Steel Company of Scotland.

The railway authorities, the report states, will shortly call for tenders for twenty miles of rails and nineteen spans of plate girders.

Harbour Improvements.

As yet nothing further has been done at the port of Tamsui beyond the reclaiming of two small stretches of foreshore which have been filled up and faced with stone, and have been included in the custom-house enclosure. It would appear that dredgers are urgently needed to keep a uniform depth of water off these wharves, for the bottom silts up sometimes in a manner which renders it difficult for vessels to make fast alongside. The Kelung harbour works authorities have drawn up plans for the proposed improvements, and actual work only commenced in November of last year, when two dredgers started work deepening the bottom of the harbour. The construction of a breakwater is included in the programme, but since last year work has been confined to dredging the shallow part of the harbour towards the southern extremity, and it is expected that steamers will be able shortly to approach that point much nearer than their present anchorage.

Even with the increased depth gained by dredging, the harbour of Kelung will, at certain states of tide and wind, still be very open and unprotected, and the proposed breakwater will be of the greatest possible use when completed. A slipway, completed some time ago, is available at Kelung for vessels of some 400 tons only, but a project is on foot to enlarge it so as to be capable of accommodating vessels up to 1,000 tons. In addition to this, designs for another slipway are under consideration by the naval authorities.

THE PRESIDENT OF THE TOKIO CHAMBER OF COMMERCE.

BARON E. SHIBUSAWA.

BARON E. SHIBUSAWA is the latest of the Japanese statesman who have honoured this country with a visit since the signing of the Treaty. It will be remembered that it was during the stay of the Marquis Ito that the alliance was consummated, since which time Count Matsugata, the present Chancellor of the Exchequer, and Viscount Matanabi, a former Minister of Finance, have paid flying visits to our shores. Baron Shibusawa, however, long since retired from the political arena, and for the past thirty years has devoted himself solely to commercial enterprises. In addition to filling the position of President of the Tokio Chamber of Commerce, which he himself founded in 1898, Baron Shibusawa is connected, either as president or director, with no fewer than twenty-six useful or benevolent institutions, apart from his business undertakings, and these last named number thirty-six corporations in all, including the Dai-ichi Ginko, Ltd., the Ishikawajima Shipbuilding and Engineering Company, Ltd., the Seoul-Chemulpo Railway Company, the Tokio Gas Company, Ltd., the Nippon Yusen Kaisha, etc., etc. Indeed, it is becoming increasingly difficult to find any public body in Japan with which Baron Shibusawa is not in some way connected. The capital of these enterprises amounts to nearly £17,000,000, paying on the average interest at the rate of 16 per cent. Undoubtedly, as a result of the present tour, and with the insight he will have gained into Eastern methods, Baron Shibusawa will return to Japan prepared for further conquests.

BARON E. SHIBUSAWA.

THE Ajino Cotton Mill at Osaka will, it is reported, shortly be taken over by the Kanegafuchi Cotton Mill, the purchase price being fixed at 140,000 yen.

THE CHINESE COAL DEPOSITS.

MR. TSUNASHIRO WADA, ex-Director of the Imperial Iron Foundry, who has recently made a tour of Northern China, reports that a marked improvement has come over the working of the Kaiping Mine since it has been brought under the control of Englishmen. At present the output is 50,000 tons a month, and this will be increased to at least 170,000 when the improved arrangements now going on shall have been completed. In short, a yearly output of about two million tons may be easily obtained. The mine contains 13 seams, measuring from two to twenty-five feet, and, though naturally differing according to the strata, the quality is generally excellent, and the ordinary one can stand comparison with the Chikuzen coal of Kyushu. The mine, as above mentioned, is under the control of an English concern, but as many of the native officials of high standing, as also of the foreign employees, own shares in the Kaiping mine, the company enjoys various facilities as to transportation and so forth. For instance, the railway freight from the mine to Chin-wang-tao is only 1 sen per ton, so that Japanese coal will find it practically impossible to compete with the Kaiping coal in North China. The railway connection between the mine and Chin-wang-tao has already been completed on a very large scale, this arrangement being especially noticeable in the island. The anchorage facilities, lading and un-lading equipments, etc., are excellent, so that when all the works shall have been completed, the island will have become the best harbour in Northern China.

The future of Kaiping coal is pretty roseate, but for the time being this advantage will be practically confined to North China; and in South China the Japanese coal may remain the master of the field.

The work of exploiting the coal deposits in the vicinity of Kiaochow is being actively carried on by the German Government, and as the work has already been started at the Chang-loyuen mine, the coal may

be brought on the market in two or three months. The quality is far better than the Kaiping, and the seam measures 12 ft. Chang-loyuen is situated about 150 miles inward from Kiaochow. About 100 miles inward from that mine another mine called Pohshan exists, and the quality of this coal is reputed to be excellent. If this is really found so—the German experts are now making careful surveys—the German Government will be sure to establish a factory, so as to turn to good account the iron mine found in the same place.

The coal at Changting and Sishan, now worked in primitive style by the natives, is poor in quality and limited in output, and hardly deserves notice.—"JAPAN WEEKLY TIMES."

THE trade of South Formosa at the present time, according to a report just to hand from the Consul at Tainan, consists chiefly in the export of sugar and rice, both of which are cultivated largely in the district, and in the cultivation of which foreign-made machinery will, doubtless, become more requisite as the benefits to be derived from its use are more recognised. The Japan Sugar Manufacturing Company—a Japanese company—own the only sugar mill at work in that district; there are two rice-cleaning mills, worked by the South Formosa Trading Company. The machinery for the sugar mill was imported from Germany, while that for the rice mills came partly from England, but chiefly from the United States; American prices being about 20 per cent. cheaper than English prices. As regards the import of machinery, the manager of the Formosa Trading Company states that his company are likely to become purchasers of British goods, and would like to have detailed catalogues and price lists, giving full information concerning rice-milling machinery, sugar-cane crushing, and brown and refined sugar manufacturing machinery, as well as irrigation machinery. The catalogues hitherto supplied by British firms, he states, give very scanty information as compared with those supplied by American firms. Apart from machinery, there is little prospect of any large importation of British goods direct from England taking place at present.

GENERALLY speaking, the iron ore found in Japan is very poor, containing on an average only 1 per cent. of iron, necessitating a great many washings before it is sufficiently concentrated, when the iron content is increased to about 60 per cent. The blowing machine, which is largely used, consists essentially of a large box, communicating on one side with the furnace and on the other with the outer air by a valve opening inwards. The box is closed by a wooden cover, oscillating round a horizontal axis, but making a tight fit with the sides of the box; and workmen standing on the ends of the cover cause it to oscillate after the manner of a swing. The melting furnace is from 5 ft. 2 in. high, 10 ft. long, and from 3 ft. 3 in. wide; and on each side of the furnace, communicating with it by eighteen to twenty tuyeres, is one of the primitive blowing machines. The fuel is either wood or charcoal, and from sixty to eighty casts are made in the twenty-four hours. Two hundredweight of ore serve on an average for producing 27 lbs. of raw iron and 20 lbs. of steel, or 18 lbs. of puddled iron; and for every 2 cwt. of metal obtained about 7 cwt. of charcoal are required. A ton of raw iron is made for 65s. 6d., and realises about 70s., so that the profit is not very considerable.

THE American Standard Oil Company have already commenced operations in the Umaya district, permission having been obtained to lay down pipes from the oil-fields to the company's oil refinery at Naoyetsu, a distance of ten miles.

THE International Oil Company of Echigo has placed on the market the oil refined by the company. The Naoyetsu delivery is quoted at 4s. 2d. per box, and it can be put on the Yokohama and Tokio markets at about 4s. 11d. per box. The oil is clear and transparent, the flashing point being at 110 degrees. At present the company has a stock of 45,500 boxes in Echigo.

ATTENTION has frequently been drawn to the growing importance of the Japanese market as a field for British cycles. The American manufacturers are enjoying an increasing share of the trade, and this year has shown a further development of American trade, the returns for the four months ending with April last showing that during that period the exports of cycles and parts from the United States to Japan attained a value of no less than £18,039, as compared with only £14,413 in the corresponding four months of 1901.

WE are informed that there is no truth whatever in the report that the Japanese Government have placed orders in this country for the construction of two warships.

ON the 12th inst. a garden party was given by the Mayor of Portsmouth (Major W. T. Dupree), in honour of Admiral Ijuin, commanding the detached squadron of the Imperial Japanese Navy, followed by a banquet at the Town Hall, many distinguished guests being present.

A JAPANESE merchant resident in New York has been appointed by his Government to make a thorough investigation into the tea-growing conditions that obtain in South Carolina.

A NUMBER of Chinese students, who are to complete their studies in Japan, have arrived in Nagasaki. Among the party were eight Cantonese girls, who are to be placed under the care of Miss Shimoda Utako, of Tokio.

THE Empress of Japan has contributed 10,000 yen towards the International Costumes Exhibition to be held at St. Petersburg in November.

BOOKS RECEIVED.

"Progress of India, Japan and China in the Century." By Sir Richard Temple, Bart. Nineteenth Century Series. (W. and R. Chambers. 5s. net.)

"Japanese Self-Taught." (Kegan Paul, Trench, Trübner and Co.)

JAPANESE CREDIT.

An interesting experiment was made at the end of July, and the success showed how greatly Japanese credit has improved in this country of recent years. The issue of a Japanese Municipal Loan has been attempted in London for the first time, and has been taken up so readily that the lists were closed a day earlier than was originally advertised. The issue was that of Yokohama City Waterworks Six per Cent. Bonds at 98 per cent., and was made for extending the present waterworks. The total authorised loan amounted to 2,055,600 yen, of which 1,155,600 yen had already been placed in Japan, and the new issue of 900,000 yen —that is, £91,875 at the fixed exchange of 2s. 0½d.— completed the total. The loan will be redeemed in twenty-two years from 1904 by means of annual drawings. Not only, as we have said, was this experiment a success, but it was made at a time when failure might, for reasons in no way connected with the credit of the Yokohama Municipality, have been anticipated. Just at the date of issue there was much scarcity of investment capital, and the East Indian Railway Company, and the Victorian Government failed in their attempts to place loans in London. An issue had been arranged by the British Columbia Government, but this was withdrawn owing to the unfavourable state of the market. Of course, the rate of interest which was offered for the Yokohama Waterworks Bonds was considerably higher than the East Indian Railway or the Victorian and British Columbian Governments were prepared to pay, yet that fact detracts in no way from the measure of congratulation which may fairly be given to Yokohama. A Far Eastern municipality cannot enjoy the same easy terms in London as are given to securities emanating from British colonies or from guaranteed Indian railways, and the fact that it should be able to borrow at all, and borrow so readily, is highly significant. At the same time we feel some regret that the Yokohama loan was not completed in Japan. A country gains very much by borrowing as much as possible within its own borders, since in that case there is no annual drain of gold for interest, and no disturbance from this cause to the balance of trade.

It is by partially observing this salutary rule of internal borrowing that Japan owes much of the favourable position in which its debts stand. Since the year 1870 Japanese public loans to the amount of 825,462,300 yen have been issued and 306,697,260 yen have been redeemed. The existing amount of the obligations is therefore 518,765,040 yen. Out of the total loan issues only 416,512,750 yen was placed out of Japan, nearly the whole of which has still to be redeemed The old Nine per Cent. and Seven per Cent. Foreign Loans were redeemed some time since, and the latest issue in London, that of £10,000,000 in 1899, was made at 4 per cent. The price of issue was 90. It will be observed that rather more than half the total debt of Japan was issued abroad and that most of the existing debt is in foreign hands. There are limits to the rule of internal borrowing, since an undeveloped country must draw its capital from abroad during periods of early expansion, but it cannot be too strongly impressed on all governments that the burden of an internal loan is much less than that of an external loan, so much less that there is no real comparison to be made between them. Where, for instance, would this country have been at the end of the great war with Napoleon if it had had to find more than £30,000,000 every year, and to send it abroad by way of interest? As it happened, this interest merely passed from one hand to another in the country itself, and the foreign trade was left free to expand without having to carry a dead weight of £30,000,000 in unproductive exports. According to the present financial programme of the Japanese Government, debt to the amount of 115,746,290 yen is still to be issued between the years 1902-1908. These new debts, together with all existing debts, will be cleared off by 1945 if the redemption arrangements are kept going according to the programme which has been laid down. Whether the Government will be able to keep to this programme must depend very much upon Far Eastern politics. A war in which our new ally was involved would knock the redemption arrangements into pieces, although it would not, we trust, seriously impair the power of Japan to meet its obligations as regards interest.

The price of Japanese Four per Cent. Bonds in the London market is the measure of the country's credit in foreign estimation. That price at present is 86, which though less than the original issue quotation of 90, is still fairly high when the financial circumstances now and five years ago are considered. When Japanese Fours were issued in 1897, our own Consols stood at 112, and the general standard of value among first-class securities was very high. For instance, India Three and a Half per Cents. were then 118, they are now 108½. We are often asked to what price Japanese Fours may be expected to advance, and we have always been obliged to decline to give a definite answer. Under the circumstances of the moment they are quite as high as, if not higher than, securities which can in any way be compared with them. Chinese Four and a Half per Cents. are a very good stock, secured as they are on the Imperial Maritime Customs, and at 93 they stand relatively lower than do Japanese Fours. We do not think that there can be a wide divergence in the relative values of the best Chinese and the best Japanese securities, though we should expect the latter to be rather better liked by investors. Since the beginning of the present year Japanese Fours have advanced by as much as 12 points. This appreciation has partly been due to the general advance in investment securities which took place in the first half of the year, and partly to the effect of the Anglo-Japanese Treaty. Even at their present quotations they form a profitable investment, and yield £4 13s. per cent. per annum, without making any allowance in the gain in capital value which would accrue from redemption at par after January 1st, 1909.

The foreign trade of Japan for the first half of this year shows a decline of £400,000 in exports, and an increase in imports of £200,000, these two movements having the effect of very nearly balancing the import and export trade. As it is more important for Japan than for most countries to preserve an even balance of trade, the results so far for 1902 are by no means unsatisfactory.

YEN.

THE COMMERCE OF JAPAN.

Mr. H. A. Bonar, H.M. Consul at Yokohama, in his report on the trade and commerce of that port for the year 1901, states:—

The total value of the foreign trade of Yokohama for the year 1901 amounted to £22,698,322, of which £13,661,047 represented exports and £9,037,275 represented imports, leaving a balance in favour of exports of £4,623,772. This result is an encouraging one to the country, and is very different from that of the previous year, when imports were in excess of exports by £1,393,443. At the same time, the position shown by the foregoing figures, both as regards volume of trade and excess of exports, is more satisfactory than that of any former year, and bears ample testimony to the growing importance of the port.

Yokohama being the chief outlet for the export of Japan's principal products, it is naturally expected that the trade of this port should invariably show a surplus, and although this has not proved the case every year, the net result for the past five years, as will be seen from the following comparative statement, shows a balance in favour of the port of £3,472,348:—

	Value.		
Year.	Imports.	Exports.	Total.
1897	£8,987,559	£9,211,820	£18,199,379
1898	11,332,693	8,198,561	19,531,254
1899	7,875,504	11,027,393	18,902,897
1900	11,206,229	9,812,786	21,019,015
1901	9,037,275	13,661,047	22,698,322
Total.....	£48,439,261	£51,911,607	£100,350,868

Imports.

Metals.

Imports in the metal department have been on a smaller scale than for several years, but as the trade was over-stocked in the previous season the diminished quantities have afforded much relief. This year has been a difficult one; European costs have fallen continuously, while in Japan several large stocks have been pressed on the market. Prices have, therefore, all along proved unremunerative. Orders during the latter half of the year have been on a diminished scale owing to anticipated supplies from the Government foundry in Kiushiu.

A feature of the year has been a large increase in the import of German bars, against a great decrease in Belgian and British manufactures.

Owing probably to the curtailment of Government extensions, the imports of rails have fallen from 27,000 tons in 1900 to 16,000 tons in 1901. It was anticipated that the Government foundry would supply all future requirements, but some further orders have, nevertheless, been placed in Europe. The time must, however, surely come very soon when the foundry will be properly at work. It is an enterprise upon which over £2,000,000 have been spent, and it is not likely to be abandoned.

Figures show a large decrease both proportionately and absolutely in the British shares of bars and sheets. British manufacturers appear to be unable to compete with either Belgian or German makers for the great bulk of trade, which requires a cheap article, yet of fairly good quality. It is true that a British maker can sometimes be found who will compete as regards price, but in no case does he seem to be able to give as good quality at the same price. Until the present year British makers supplied most of the heavy plates, but these are now coming from Germany in increasing quantities. There is still a good business in special brands of iron manufactures with the United Kingdom on the part of larger buyers, such as the Government departments and principal industrial companies, but as far as the ordinary merchant trade is concerned, there is no doubt that British manufactures are gradually being beaten.

Cotton Yarns, &c.

After a period of what might almost be called uninterrupted stagnation throughout the greater part of 1900, the closing month of that year seemed to give promise of better things for the gassed yarn trade in 1901. This feeling of confidence was, however, very short-lived. The year closed with Manchester quotations about £6 10s. per bale below the opening ones in January, against £7 10s. to £8 as the lowest point, and after a year exceeding even 1900 in its unprecedented depression and unparalleled losses to importers. In trying to account for this very unsatisfactory state of things the fall in cotton must be held to be the primary cause, but the absence of demand from Japan was also an important factor not to be overlooked, because a reason has to be found for this absence of demand for imported yarns. Nor is it far to seek. Bad trade and dear money no doubt contributed, but the real reason for the depression in imported gassed yarns lies in the fact that Japan herself is now producing probably more than half her total consumption. It is not easy to get reliable figures, but such estimates as are obtainable place the production of gassed yarns throughout Japan at 15,000 to 20,000 bales of 400 lbs. a year, whereas the total shipments from the United Kingdom to Japan for the year 1901 of yarns of all kinds was only about 18,000 bales. For the year 1900 shipments were 28,000 bales, and for 1899 39,000 bales, figures which go to prove the contention that Japan is now largely supplying her own wants in the way of gassed yarns. In fact, it looks as if imported gassed yarns are being gradually ousted by Japanese spinnings, just as ordinary Lancashire 16/24s. were ousted by Bombays, and the latter later on by the Japanese mills. Prominence is given in this report to gassed yarns, because they represent the bulk of the yarn trade between the United Kingdom and Japan. A diminishing quantity of 2/42s. and 2/32s. continue to be taken, also a few 16/24s. good water twist, for the spinning of which the Japan mills do not seem yet to have adapted themselves.

Business in grey shirtings showed a marked falling-off in 1901 as compared with the previous year, both in imports and deliveries. The figures for white shirtings are very low compared with 1900. Deliveries exceeded imports by nearly 30,000 pieces.

Exports.

Silk.

This year has been noticeable for lack of spirit. Neither reelers nor manufacturers have been able to

make satisfactory profits, for the former have been tempted by the higher cost of silk to hold for higher sale prices, while it has been the special policy of manufacturers to buy only from day to day to supply their absolute wants. This has necessitated the exporters taking the risk and shipping on speculation, and with steadily advancing values the result has left most of the profit in his hands.

Production in Japan is steadily increasing. The farmers recognise that it is a cultivation suited to their surroundings. The work that it entails mostly falls to the women and children of the family, and comes at a period when there is but little work in the fields. As, however, the growth of the mulberry tree is slow, the growth is not and cannot be rapid. To-day the estimate of the year's export is from 65,000 to 70,000 bales, whilst in 1863-65 it was only from 16,000 to 20,000 bales.

Tea.

The following shows the total amount of tea exported from Yokohama from January 1st to December 31st, 1901 :—

Country.	Quantity. lbs.
New York	8,493,004
Chicago	6,953,091
San Francisco	3,144,657
Canada	5,623,366
Various (Honolulu, Singapore, &c.)	363,406
Total	24,577,524

Shipping.

The shipping that entered the port of Yokohama again shows an increase, being 823 vessels and 2,032,445 tons, as against 773 vessels and 1,872,557 tons for 1900. British shipping shows an increase of two vessels and 26,282 tons. An increase is also noticeable in the case of all other nationalities, the more especially in that of Japanese foreign going vessels which number 268, as against 227 for the previous year.

The principal loading ports of British vessels are shown in the annexed table :—

	Number of Vessels.	Tonnage.
United Kingdom... ...	88 ...	266,829
Hong-Kong	83 ...	201,812
New York	24 ...	59,532
Vancouver, B.C.	17 ...	52,783
Tacoma, *viâ* Victoria, B.C.	17 ...	39,425
San Francisco	15 ...	41,850
Various	36 ...	89,190
Steamers	51 ...	116,342
Sailing vessels	8 ...	15,203
Total	339 ...	882,966

Harbour Improvements.

The work of harbour reclamation is advancing rapidly, but the undertaking is so great that it is unlikely to be completed before 1905. The wharfage when complete will berthe at one time thirteen steamers of the largest size, and cargo will be housed a few feet from the ship's side. The reclamation and the Yokohama station will be connected by rail. Other improvements include a new floating landing stage, which should be completed during 1902, and a pipe service for supplying steamers with waterworks water. The latter will cost £2,800, and vessels which formerly had to pay 5s. 4d. per 1,000 gallons will soon be able to obtain the same quantity for 1s.

Railways.

A scheme is on foot for laying a railway between Yokohama and Hachioji, the centre of the silk industry. The scheme was originally formulated by the Government but abandoned by them, and an application for permission to construct a railway between the two places under the name of the Yokohama Railway Joint Stock Company has now been made by a syndicate numbering about forty members. The company is backed by a capital of £200,000. The line will be laid from Kanagawa to Hachioji *viâ* Haramachida, a distance of about twenty-five miles.

THE TEXTILE TRADE IN KOREA.

When it is remembered that the opening of the ports of Korea to foreign countries only dates back to 1884, and that the country still lacks facilities for inland transportation, then, and only then, can one appreciate the fact that the value of imports for 1901 amounted to no less than £1,500,265. With improved means of conveyance, Korea will undoubtedly, at no very distant date, afford a good market for British manufactured goods. Last year the import of cotton piece-goods from Great Britain showed a striking advance, grey and white shirtings having increased from 278,163 pieces, value £110,511, to 402,156 pieces, value £176,892. English and American drills show an advance of 24,336 pieces, and sheetings have risen from 143,653 to 189,554 pieces. British Turkey reds and lenos have increased, while there is a falling-off in T-cloths, lawns, and muslins and yarn. The advance in British manufactured goods is partly due to an increased import at Wonsan, owing to the recent enforcement of the Russian European tariff at Vladivostock, hitherto the distributing centre for the northern districts.

Japanese cotton fabrics show a slight advance all round. The importation of Japanese yarn, however, has fallen from 7,142,933 lb. to 5,028,800 lb., a decrease of 25 per cent. as compared with 1900. This is accounted for partly by the unfavourable conditions of trade, and partly by the depreciation in the value of the Korean currency. At Wonsan there was a decrease in the value of Japanese imports, notably in undyed cottons, which fell off to the extent of £10,000. Chinese shirtings have entirely disappeared from the returns for the last two years. Woollen goods show an increase in value of £11,195.

OBITUARY.

We regret having to announce the death of the Marquis Saigo, which occurred on the 17th of last month, at the age of 63, after a long illness. Marquis Saigo was one of the most distinguished Japanese statesmen of the Meiji Era. He was in command of the Formosa punitive expedition, and was the brother of the hero of the Satsuma rebellion. He also held many Cabinet posts.

JAPANESE COURTS.

By CLARENCE LUDLOW BROWNELL, M.J.S.

Now that foreigners, if they get into trouble in Japan or have a grievance to settle against anyone resident in that country, have to submit to the native courts, the methods of procedure and the integrity of these courts are matters of moment, especially to English and Americans. These two nations among foreign peoples dealing with Japan have the keenest interest in Japan's well-being; they of all peoples, too, are zealous for fair play. As among foreigners other than Chinese having commercial interests in Japan, the English and the Americans are the predominating element (Germany coming a strong third), it would be most unfortunate for Japan if she were not able to establish and maintain absolutely impartial courts of law.

No Englishman, or anyone else for that matter, would be eager to place money in a country when he was not certain that his interests would receive legal safeguard—that if a native does not act fairly by him he could obtain redress in the courts of law.

It would seem, in looking over the reports of legal cases in which foreigners living in Japan are concerned, that the Japanese courts are quite impartial in their administration of justice. They feel that the countries of the West are watching them, and that the national honour demands integrity in all the officers of justice. This is excellent, and Japan surely is to be congratulated in having accomplished so much in so short a time. Her present machinery of justice is entirely new. Even the profession of barrister did not exist until New Japan was born.

Under the Tokugawas a man called to court in answer to a charge had to defend himself or find a relative to do so for him. "Relative" was an elastic word, and some of these relatives, known as Kujishi down to 1881, performed the duties of barristers more or less inadequately. They had no special legal status. But from that date examinations have been held, and the requirements for admission to the Bar have increased gradually in severity, until now they are quite on a par with requirements in England and America.

The courts have undergone great change as well, and the various codes have come into being—the Criminal Code, the Code of Criminal Procedure, the Civil Code, the Commercial Code, and the Code of the Constitution of the Courts—all, one might say, quite new. Even with the best talent that could be had from France, Germany, England, and America, it was too much to expect that these codes could be made to order and a fit guaranteed without some tryings on. It must in the nature of things take time before every department of justice is moving without friction and delay. Old Japan and New Japan are so different.

Old Japan had no foreign relations. One ship a year came from Holland; that was all. She had little knowledge, or no knowledge at all, of copyrights, patents, notes, bills of exchange, banking, etc., except as the various guilds might have employed some such means and methods in commercial affairs. New Japan has all the appliances of modern civilisation, but the Japanese have yet to become quite familiar with them.

The law's delay, then, is by no means unfamiliar to foreign residents in Japan. There is room for improvement in the way of speed, and it is hoped that the new Code of Civil Procedure will do much good.

One should not be too hard on Japan, however, for even in her inexperience she gives much better results than do the Courts of the Central American States, where foreigners manage in one way or another to do business without crying out their tribulation to the world. Perhaps she does as well as, if not better than, Italy, and where is the country in which the law is not too slow for everyone except those who are to be hung?

The Foreign Chamber of Commerce in Yokohama has criticised the courts as they are at present in Japan and has made several suggestions. It is not partiality that the foreigners complain of, but irritating delay and lack of experience on the part of members both of the Bar and the Bench. They wish for better trained men, and it seems to be chiefly a question of time before they will have them.

They ask, furthermore, that all documents to be produced and admitted shall be arranged for before the trial, so that there may be no "series of surprises" for those concerned. They particularly urge that judges and barristers should be on time. There can hardly have been such a thing as "time" in Japan before railways appeared, and the time sense needs cultivation undoubtedly. Interpreters, too, are not all that could be desired. That is troublesome, and it would be an excellent remedy so far as it goes if those who intend to live in Japan and do business there would learn the language.

There is besides these complaints one rather more serious. It is that trials before the Court of First Instance are of little importance, counsel on both sides showing too much readiness to allow cases to go to the Court of Appeals. A desire for further fees is hinted at as an explanation of this annoyance.

The objections, it will be seen, are not as serious as have been urged against courts in some European States, and in Central and South America. Indeed, taking into consideration their nature and the shortness of Japan's time for preparation to meet new ideas fairly, the prospect of courts of first-rate excellence in Japan is extraordinarily good.

THE NEW PLAYING-CARD LAW IN JAPAN.

THE new regulations respecting the sale and importation of playing-cards into Japan came into force on July 1st. By the provision of this Act those who sell or import playing-cards must now apply to the Tax Office having jurisdiction over their district, and obtain permission to engage in such business. Cards imported must be repacked, and stamps to the amount required by law must be affixed and cancelled before delivery is taken at the Customs. Persons who sell playing-cards without obtaining the permission of the authorities are liable to a fine of from 50 yen to 300 yen.

Those who were engaged in manufacturing or selling playing-cards before the law came into operation will be regarded as having obtained permission to do so, if the fact is reported to the Tax Office within seven days from the date on which the law went into force. If permission is not obtained, the law authorises the destruction of all the stock of cards found in the possession of an unauthorised seller. Any infringement of the latter clauses will entail a fine of from 300 yen to 1,000 yen.

THE JAPAN SOCIETY'S GARDEN PARTY.

THE members of the Council of the Japan Society are to be heartily congratulated on the very excellent arrangements which were made in connection with the garden party held in the Botanical Gardens, Regent's Park, in honour of the visit of Rear-Admiral Ijuni and the officers of the Japanese Squadron. The very large gathering included many notable personages. Among others we noticed the Japanese Minister (Viscount Hayashi) President of the Society, Lord Onslow, Sir Alfred Gaselee (late Commander-in-Chief in China), General Sir Juilus Raines, Mr. Arthur Diósy (Chairman of the Council), various members of the Legation, Mr. M. Arakawa (Consul-General in London), Captain Blankney, Mr. C. L. Brownell, Mr. A. J. Mitchell, and many others. The ladies present included the Viscountess Hayashi, Lady Onslow, Lady Dimsdale, Lady Hart, Lady Gaselee, Mrs. Arthur Diósy, etc. During the afternoon an excellent programme of popular airs, both Japanese and English, was rendered by a Japanese band, under the direction of Bandmaster Nakamura, I.J.N.

THE JAPAN SOCIETY'S GARDEN PARTY.

Rear-Admiral Ijuni will be seen in the centre; standing on his left is General Sir Alfred Gaselee; while the Consul-General, Mr. M. Arakawa, is on the extreme right of the illustration.

THE Department of Agriculture and Commerce has appointed the following gentlemen as members of the Iron Foundry Investigation Commission: Mr. Furuichi, chairman; Messrs. H. Yasuhiro, Vice-Minister of the Department of Agriculture and Commerce; Mr. Sakatani, Vice-Minister of Finance; Mr. S. Matsumoto, Director of the Railway Traffic Bureau; Mr. S. Miyoshi, Professors B. Mano and W. Watanabe, Inspector Kondo, of the Naval Construction; Lieut.-Colonel B. Shimagawa, Viscount Naito, and Messrs. R. Hotta, S. Kadowaki, and Y. Hasegawa. Mr. T. Sagara, Secretary of the Imperial Iron Foundry, has been appointed secretary to the Commission. The first sitting took place on the 1st of last month.

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His Excellency the Japanese Minister (Viscount Hayashi) paid a state visit to Portsmouth on the 15th inst., to attend a banquet given on board the *Asama*, Rear-Admiral Ijuin's flagship. Some further particulars of which will be given in our next issue.

VISCOUNT AND VISCOUNTESS HAYASHI AND CAPT. C. TAMARI (NAVAL ATTACHE TO THE I. J. LEGATION) AT THE JAPAN SOCIETY'S GARDEN PARTY, BOTANICAL GARDENS, REGENT'S PARK.

Mr. K. Matsui, First Secretary of the Japanese Legation in London, has been recalled to Japan, and left by the N.Y.K. steamer *Kamakura Maru* on 18th ult. Previous to coming to London Mr. Matsui was in Washington, where he acted as Chargé. He has been abroad on his country's service for seven years. The reason of his recall or whither he may be appointed are not yet known. Mr. Matsui has a very fluent command of the English language, and has made many friends during his four years' residence in this country. He has been succeeded by Mr. Nabeshima, formerly attached to the Berlin Legation.

Communications from readers are invited with regard to any information that may be desired in reference to subjects that come within the scope of the Gazette.

NOTICE.

The Anglo-Japanese Gazette *will be published on the 15th of each month. The Annual Subscription is 7s. (3½ yen), payable in advance, post free at home and abroad. Cheques, P.O.O., &c., should be made payable to "The Manager," and crossed "The Hong-Kong and Shanghai Banking Corporation."*

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Any correspondence intended for insertion in the Gazette *should be accompanied by the name and address of the writer, not necessarily for publication, but as a guarantee of good faith. No notice whatever will be paid to anonymous correspondence.*

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GENERAL NOTES.

It seems that the vexed question of the house-tax is likely to be settled at an early date, a basis for the arbitration having at length been arrived at. This basis is, that the house-tax only shall be referred. Complications may therefore, says the *Times* correspondent, be regarded as terminated, inasmuch as the Japanese Government will probably refrain from further collections of the tax pending the result of the arbitration. The principal reasons for enforcing payment previously having been, first, the uncertainty of the reference of the question to arbitration, and, secondly, the necessity of placing all foreigners upon an equal footing so as to avoid practical discrimination against the voluntary payers, who represented 25 per cent. of the total community. The question of the composition of the arbitration tribunal is now under discussion.

The Canadian Government will have a separate building for the display of Canadian goods at the exhibition to be held in Osaka next year. The Japanese authorities tendered the use of 3,600 cubic feet for this purpose; but as it was not considered by the Minister of Agriculture to be sufficiently large, it was decided to erect a special building, and Mr. Fisher and Mr. Hutcheson will leave for Japan shortly to arrange matters.

A SUPPLEMENT to the Japanese Tariff, which has recently been issued by the International Tariffs Bureau, states that, by Ministerial Ordinance, passengers arriving in Japan are authorised, in the event of their baggage containing merchandise subject to import duties, to declare and enumerate the same verbally. Should their statements prove incorrect, they will be liable to a fine equal to treble the duty payable, and the goods in respect of which the fraud was attempted will be forfeited. If the entry of such imported articles is prohibited, they will be forfeited in like manner, and the importer will be condemned to the payment of a fine equal to the value thereof. With regard to goods intended to be re-exported within a period not exceeding six months, such as articles for repair, scientific instruments, products to be examined or analysed, merchants' or manufacturers' samples, or theatrical or circus material, passengers must deposit with the Customs the amount of the duties applicable to these articles, and the sums so deposited will be returned to them provided they leave Japan within six months of their arrival.

A NOTEWORTHY feature of the shipping at the port of Yokohama during the past year has been the extension of the British India Steamship Company's service. For some time past this company has (says Mr. Consul Bonar in his report) been running boats between the Indian ports and Manila, and about twelve months ago a regular three-weekly service was extended to Japan; fourteen boats belonging to this company having entered Yokohama during the year.

MR. MINOZI ARAKAWA, the Japanese Consul-General in London, owing to the ill-health of his wife, has decided to return to Japan early next month. During Mr. Arakawa's absence Mr. Ariyoshi will fill the post of Consul.

A RECENT Consular report from Yokohama states that the supplies of pig-iron in Japan are continually increasing. The imports of foreign pig-iron into Yokohama and district consist almost entirely of favourite brands for special purposes, largely Government requirements. The same report states that the development of the Echigo oil industry is proceeding apace. The oil in Amase and Kamada, hitherto the largest oil-producing districts in Echigo, shows signs of failing, and attention is being attracted towards the Kitano district, where the wells owned by the Nagaoka Industrial Company have been yielding a large amount of oil since last autumn. Two of these wells yield 1,600 gallons a day. The oil is carried by means of pipes to Takada Station on the Thinyetsu Railway, a distance of 10 miles.

WE have excellent authority for stating that there is no foundation for the rumours that have been appearing in the London press recently to the effect that the Nippon Yusen Kaisha had entered into an arrangement with Mr. Jas. J. Hill and Mr. Pierpont Morgan respecting the Pacific trade.

THE port of Wuchow, in spite of some adverse circumstances, is making steady progress as a trading centre, the trade last year showing a substantial advance on the previous twelve months, the total value rising from £1,015,000 to £1,109,500, an increase of nearly 10 per cent., or, if calculated in local currency, 14 per cent. Imports, of which cotton goods formed considerably over half, account entirely for the improvement, exports having declined slightly.

A DESPATCH from the British Vice-Consul at Chemulpo reports the arrival at that port of 4,000 tons British railway material for the Seoul-Fusan Railway. The rails are of the 75-lbs. American standard section pattern. The contract for them was signed in Tokio in January last, and delivery made in Korea before the end of June. There were five tenders for these rails, which are supplied by a firm of British manufacturers on the American pattern, and on cheaper terms than the Americans offered.

THE Japanese Government have appointed Mr. Sei-ichi Tejima president of the commission which will have charge of the Japanese section of the St. Louis Exhibition.

MR. YAMAWAKI, Secretary to the Commercial and Agricultural Department, has been entrusted by the Government with the task of compiling a book which will give foreigners some idea of the industrial and economical conditions of Japan.

THE Fusan Umetate Kaisha is the name of a company which has been formed for the purpose of carrying out reclamation work at the port of Fusan. The capital is put down at 250,000 yen.

THE United States Government has issued an official statement recognising the sovereignty of Japan over Marcus Island. Mr. Rosehill consequently cannot look to his Government for any support, should he be so ill-advised to take further action.

SOME changes have been made in the scheme for harbour improvements at Kobé. It is now proposed to construct a breakwater at the mouth of the Ikuta River, and two piers at Onohama; further improvements to be carried out as the necessity arises.

JAPAN proposes to build ten ships-of-war, at a cost of 100,000,000 yen (£10,000,000). It is intended to spread this expenditure over six years.

BRITISH INDUSTRIES.—I.

The "Caledonia" Locomotive Works.

While so much has been said and written on the matter of the merits of British-made locomotives and the price at which they can be purchased by railway owners, it seems to us an opportune moment for some description of a typical British locomotive works. With that end in view, we have chosen for the subject of the present article the "Caledonia" Works, owned by Messrs. Andrew Barclay, Sons and Co., Ltd., situated at Kilmarnock (Scotland).

These works, while, perhaps, not so extensively advertised as some of the larger establishments, have done, and are doing, good work in the production of high-class locomotives, and their ability to compete successfully with other establishments is demonstrated by the continuous extensions which it has been found necessary to make during the past six years.

The "Caledonia" Works, which cover an area of about five acres, and give employment to over 500 hands, have been established for sixty years, and for the greater part of this time have turned out locomotives on a more or less important scale.

The works are equipped with the most modern buildings and plant, as will be seen by the accompanying illustration. The boiler smithy and the boiler-building department are all under the one roof of two bays, having spans of 53 and 40 ft. respectively. The boiler smithy, which is 200 ft. long, is fitted with electric cranes for the expeditious handling of material.

In the bay to the left of the illustration will be seen the flanging fires and furnaces; these are so arranged that all smoke is taken in by horizontal tubes and carried off by one stack. All the shops are equipped throughout with electric, hydraulic, and compressed air plant; the electric-motors of 25 b.h.p. are all of the well-known open type, manufactured by Messrs. Crompton and Co, Ltd., Chelmsford. Other electric plant includes two very powerful 3-motor electric cranes, one by Messrs. Walter Dixon and Co., of Glasgow, and the other by Messrs. Booth Bros., of Rodley, near Leeds. These cranes are in each case arranged with automatic brakes, and perform their work at quick speed, the current being supplied from Messrs. Barclay's own generating station.

BOILER SMITHY AND PART OF TANK SHOP.

The hydraulic plant, which is worked at a pressure of 1,500 lbs. per square inch, consists of pumps, accumulators, and cranes, the two former having been supplied by Messrs. Musgrave and Co., of Leeds, and the latter by Messrs. Glenfield and Kennedy, of Kilmarnock, N.B. The air-compressed plant used for operating drills, chippers, hammers, etc., is complete in every detail, all the most recent improvements have been installed; these include pneumatic tools of the Yaite-Howard, Monarch and Little Giant type. The most important part of Messrs. Barclay's works is situated

on the opposite side of the new railway line, recently constructed by the Glasgow and South Western Railway Company. These new buildings include a very handsome three-storey structure in which are located the general offices and stores department. A separate block of buildings is set aside for the smithy and forge departments, adjoining which we find the commodious erecting and heavy-machine shop, fitted with three electric cranes, with a lifting capacity of 30, 5, and 3 tons, respectively.

The plant in course of construction at the time of our visit, included some ten-wheeled locomotives for the Letterkenny and Burtonport Railway, a number of engines for the East Indian Railway and the Liskeard

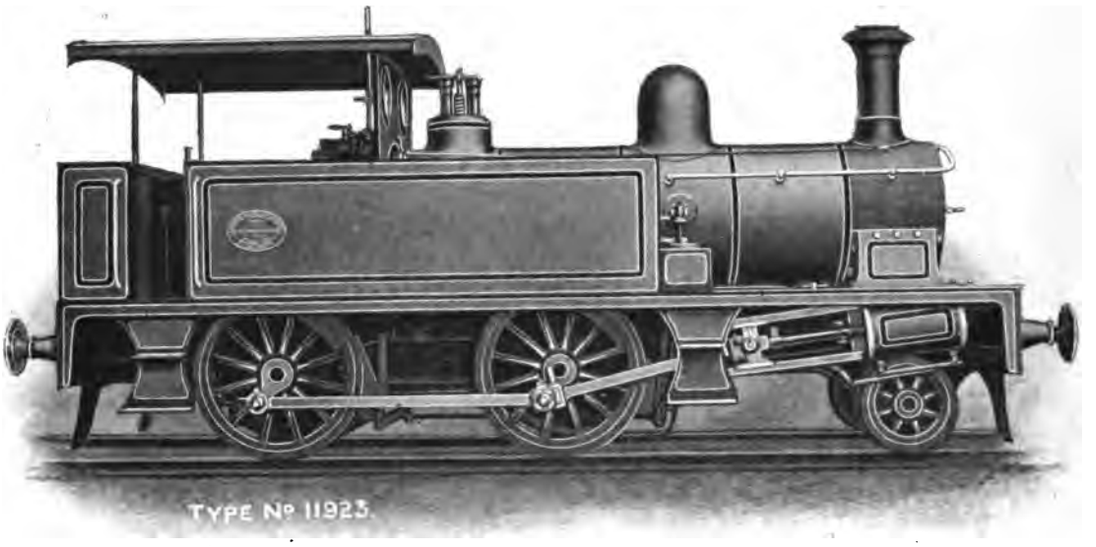
FOUNDRY YARD.

SPECIAL FOUR-WHEELED OUTSIDE CYLINDER SADDLE TANK LOCOMOTIVE FOR H.H. THE RAJAH OF SARAWAK. DWARFED TO PASS THROUGH LOW TUNNELS.

and Looe Line, and also some very heavy tank engines for private concerns; other plant was in process of being packed and despatched to various parts of the world.

We found that the greater portion of the plant used in this shop was supplied by such well-known firms as Messrs. Hulse, of Manchester, Archdale and Co., Lang and Johnson; the milling machines by Ingersoll and Co.; and the new vertical by Messrs. Webster and Co. and Messrs. Buller. The names of makers of the various plant are given to show that Messrs. Barclay and Co. are determined to keep well abreast of the times.

Passing from the boiler shop the visitor finds roomy

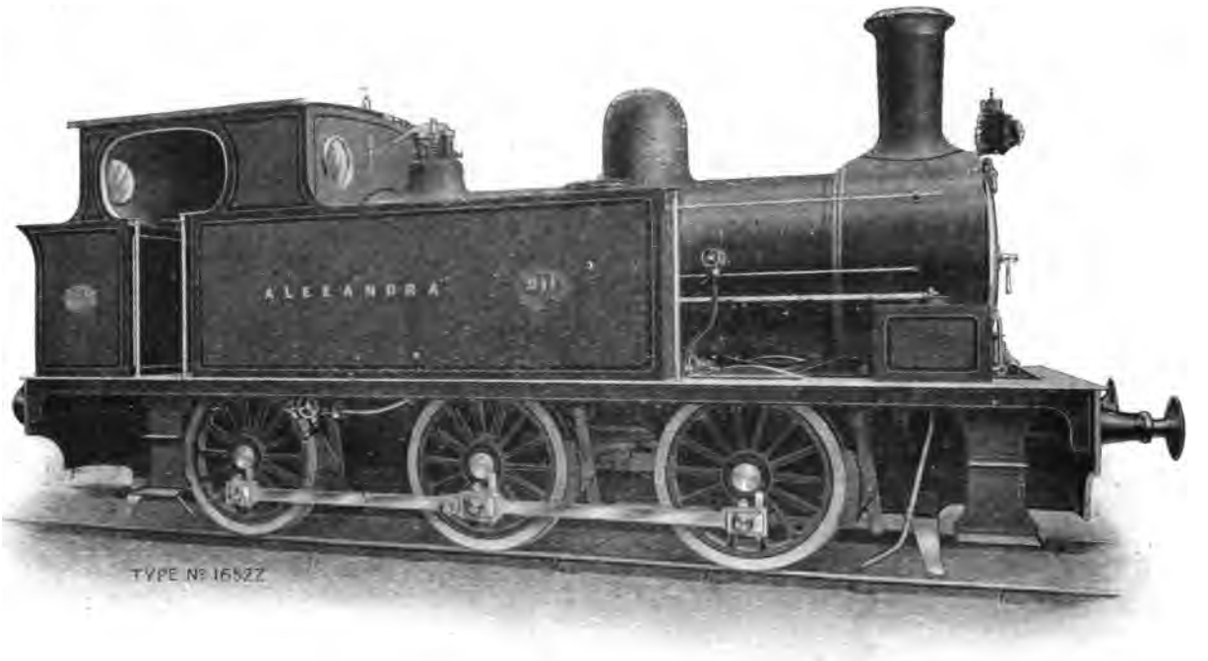


SIX-WHEELED (FOUR-COUPLED) OUTSIDE CYLINDER SIDE TANK LOCOMOTIVE. BUILT FOR THE EGYPTIAN STATE RAILWAYS.

25 FEET RAKE, 2½ TO 5 TON CRANE LOCOMOTIVE, WITH GEAR FOR RAISING AND LOWERING THE JIB.

and well-arranged stockyards in close proximity to the brass foundry, where castings up to a ton weight can be made. Near at hand is the iron foundry, which is fitted up with cupolas and appliances for making castings up to twenty tons.

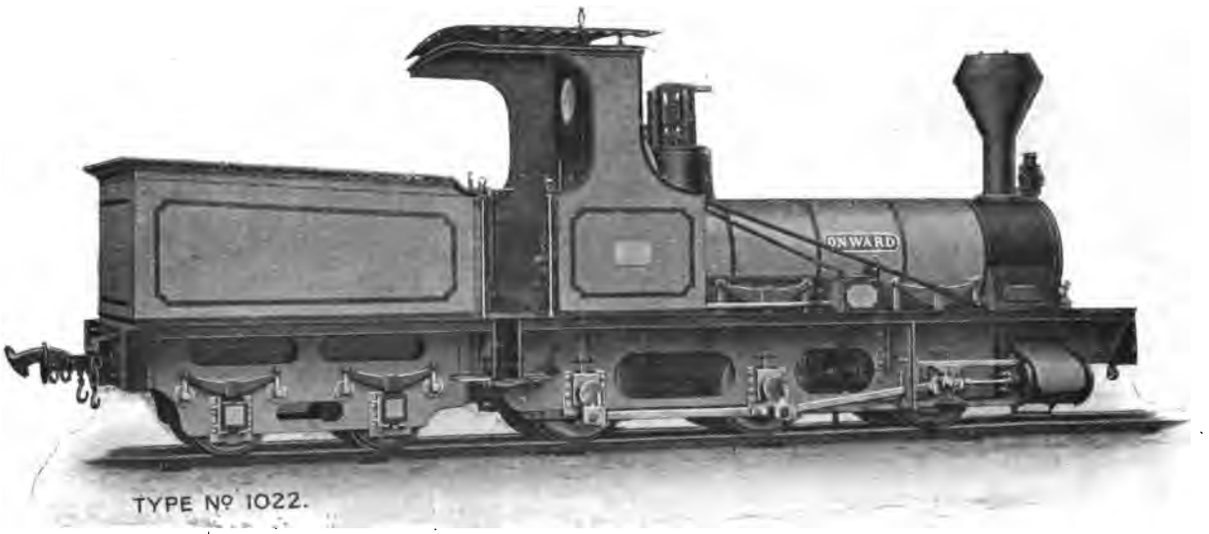
The "Brooketon" locomotive, an illustration of which appears on page 29, is a type specially built for working on lines constructed with low tunnels. Messrs. Barclay have supplied a number of these locomotives to the order of the Rajah of Sarawak (Sir Charles Brooke).



SIX-WHEELED INSIDE CYLINDER SIDE TANK LOCOMOTIVE. EXHIBITED BY MESSRS. BARCLAY AT THE GLASGOW EXHIBITION.

Locomotive cylinders of cold blast and of the usual re-melted, hard-wearing iron are also to be seen in the course of moulding and casting. The parts turned out in this section include horn-blocks, pistons, and test-pieces—these latter having a tensile strength of ten tons per square inch.

Other notable types include the "Egyptian," as used on the Egyptian State railways, locomotives for light railways, etc., etc. To meet the requirements of contractors of public works, and for use at harbours and shipyards, the firm have placed on the market the crane-locomotive. That these have found favour is



SMALL TENDER LOCOMOTIVE FOR LIGHT RAILWAY.

proved by the number of orders which are continually being received. Working as they do under inspection, it goes without saying that the work turned out by Messrs. Barclay is in every respect first class. An examination of the boilers and their fittings, the valve gear, the specimens of case hardening, together with the cylinders, pistons, and connecting rods, indicate the universal excellence of workmanship which marks every branch of this establishment.

THE NEW JOINT-MANAGER OF THE LONDON BRANCH OF THE HONG-KONG AND SHANGHAI BANKING CORPORATION.

Mr. Alfred Markham Townsend, who has recently joined Sir Ewen Cameron as joint-manager of the London branch of the Hong-Kong and Shanghai Banking Corporation, has been connected with the

MR. ALFRED MARKHAM TOWNSEND.

company for a period of no less than thirty-two years. Mr. Townsend commenced his banking career in the branch to which he now returns; in fact, he was among the staff appointed when the London office was opened. In 1870 he migrated to the East, holding many responsible positions in the bank's service in Bombay, Hankow, Shanghai, and Japan, where he represented the bank for three years. It was during this period, and owing to Mr. Townsend's influence and the interest which he displayed in Japan's welfare, that the Japanese Diet established the yen as the currency at foreign ports in the place of the Mexican dollar.

In the year 1880 Mr. Townsend went to New York, and during his stay in the United States did much to develop trade between that country and the East. In common with Mr. Townsend's many friends and admirers we join in welcoming him back to his native land, and we trust he will be spared for many years to fill the position he has so deservedly won.

STOCK AND SHARE LIST.

	Shares.	Amount Paid.	Latest Closing Prices.
Banks.			
Banque de l'Indo-Chine ...	500 fr.	125 fr.	980 fr.
Chartered of India, Australia, and China	£20	£20	40⅛ to 41⅛
Hong-Kong and Shanghai	28⅛	28⅛	62½ to 63½
Mercantile Bank of India (Ltd.), "A" Shares ...	25	12½	10½ to 11
Mercantile Bank of India (Ltd.), "B" Shares ...	25	12½	7 to 8
National Bank of China ...		8	2 to 2¼
Cable Companies.			
Eastern Extension Australasia and China	10	10	12 to 13
Eastern Extension Australasia and China 4 per Cent. Mort. Deb. Stock...	Stk.	100	107 to 111
Eastern Telegraph ...	Stk.	100	116 to 121
Eastern Telegraph Pref. ...	Stk.	All	88 to 91
Eastern Telegraph 4 per Cent. Mort. Deb. Stock...	Stk.	100	106 to 110
Great Northern	10	10	26 to 28
Telegraph Construction Co.	12	12	38 to 39
Telegraph Construction Co. 4 per Cent. Deb. Bonds...	100	100	102 to 105
Miscellaneous.			
China Mutual Steam Navigation Co. Pref.	10	10	11½ to 12½
China Mutual Steam Navigation Co. Ord.	10	£5	4 to 5
China Mutual Steam Navigation Co. Bonus ...	£7 10s.	£7 10s.	6 to 7
Chinese Engineering and Mining Co.	£1	£1	22s. to 24s.
Eastern Mortgage and Agency Co. Ord.... ...	10	10	3 to 4
Eastern Mortgage Founders	1	1	—
Eastern Mortgage 4½ per Cent. Deb. Stock... ...	Stk.	100	80 to 82
Hong-Kong and China Gas	10	10	13 to 14
Indo-China Steam Navigation Co.	10	10	9½ to 10½
Labuan and Borneo Co. ...	£1	1	—
Manila Railway Co. 7 per Cent., Cum. Pref. ...	10	10	1¾ to 2
Manila Railway Co. 6 per Cent. Debs.	100	100	53 to 55
Manila Railway Co. 6 per Cent. Prior Lien Mt. Bds. A	100	100	108 to 110
Manila Railway Co. 6 per Cent. Prior Lien Mt. Bds. B	100	100	104 to 106
Manila Railway Co. 1st Mortgage Certificates ...	100	100	100 to 102

	Shares.	Amount Paid.	Latest Closing Prices.
Messageries Maritimes of France	500 fr.	500	278 fr.
North Borneo Trading Co. Ord.	10s.	9s.	6d. to 1s.
Pahang Corporation ...	1	10s.	7s.6d. to 12s 6d.
Pahang Corporation 10 per Cent. Pref.	1	£1	1⅜ to 1½
Pahang Kabang	1	19s. 6d.	1s. 9d. to 2s. 3d.
Pekin Syndicate, Ord. ...	1	1	6 to 7
Pekin Syndicate, Shansi Shares	1	10s.	3/16 to 5/16
P. and O. Steam, 5 per Cent. Pref.	Stk.	100	132 to 135
P. and O. Steam, Def. ..	Stk.	100	202 to 207
P. and O. Steam, 3½ per Cent. Deb.	Stk.	All	104 to 106
Serdang Tobacco Company "A" Shares	£8 6s. 8d.	£8 6s.8d.	10½ to 11
Serdang Tobacco Company "B" Shares	£8 6s. 8d.	£8 6s.8d.	4 to 4½
Shell Transport and Trading Co.	1	1	1 1/16 to 1¼
Shell Transport and Trading Co. 5 per Cent. Prefs	10	10	9½ to 9⅝
Siam Exploring Co. ...	1	—	3s. to 5s.
Straits and General Development Co	1	1	1/16 to 3/16
Suez Canal	20	20	154 to 159
GOVERNMENT STOCK.			
Chinese Imperial Loan 7 per Cent. Silver, 1894 ...	£98	—	97 to 98
Chinese Imperial Loan 6 per Cent. Gold, 1895... ...	96½	—	104½ to 105½
Chinese Chartered Bank Loan 6 per Cent. Gold, 1895	106	—	104½ to 105½
Chinese Franco-Russian 4 per Cent. 1895	96½	—	102.70 fr.
Chinese Hong-Kong Bank 5 per Cent. Gold, 1896 ...	98¾	—	101¾ to 102¼
Chinese Hong-Kong Bank 4½ per Cent. Gold, 1898...	90	—	92¾ to 93½
Chinese Imperial Railway 5 per Cent. Gold, 1899 ...	97	—	96 to 97
Chinese Peking-Hankow Railway 5 per Cent. Gold, 1898	500 fr.	—	495 fr.
Japanese 5 per Cent. Consolidated Internal Silver Loan	—	—	47 to 49
Japanese 5 per Cent. War Loan Bonds	—	—	103½ to 104½
Japanese 4 per Cent. Imperial Government Loan, 1899	90	—	85½ to 86
Hong-Kong 3½ per Cent. Inscribed Stock	—	—	101 to 102

WE have received a copy of the INDIAN MERCURY'S SPECIAL COAL ISSUE, which contains some interesting remarks by M. C. Kraaij on the coal production of Asiatic countries. M. Kraaij, after dealing with the subject in a very exhaustive way, states that for the export trade, American, Japanese, Australian, German, Canadian, and eventually British Indian coal will come more and more to the front in the comparatively near future, and, in a more remote future, Chinese coal also.

The co-operation of the following factors, the author states, exercises an unfavourable influence upon the export of British coal, viz.: (1) Growing competition with coal produced in other countries, in consequence of an increase in the output of the latter, accompanied by a decrease in the output of British coal during the year 1901; (2) the British export duty; (3) the fact that, in America, coal is mined by machinery to a far greater extent than is done in the United Kingdom; (4) the foundation of the "Deutsche Kohlendepot Gesellschaft" in Hamburg (the object of which is the establishment of coaling stations on the route to China, in order to render the German mercantile marine independent of British coal contractors) and of the "Centrale für Bergwesen, Frankfurt, a/M."; (5) the French Shipping Bounty Law; (6) eventually "the American Ship Subsidy Bill" and "the Russian Shipping Subsidies"; (7) and the appointment of the "Donetz Coal Committee" (Russia).

SHIPPING NEWS.

SAILING LISTS.

P. and O.: Outwards.

	Leaves London.	For.	Arrives Yokohama.
s.s. Java ...	Aug. 23	Malta, China, and Japan	Oct. 20
s.s. Tientsin ...	Sept. 6	China and Japan	Nov. 5
s.s. Shanghai ...	Sept. 20	Malta, China, and Japan	Nov. 19
s.s. Malacca ...	Oct. 4	,, ,, ,,	Dec. 3
s.s. Bombay ...	Oct. 18	,, ,, ,,	Dec. 17

P. and O.: Homewards.

	Leaves Yokohama.	Arrives Plymouth.	Arrives London.
s.s. Formosa	June 9	Aug. 10	Aug. 11
s.s. Shanghai	June 23	Aug. 24	Aug. 25
s.s. Malacca	July 7	Aug 31	Sept. 1
s s Bombay	July 21	Sept. 14	Sept. 15
s.s. Canton	...	Sept. 28	Sept. 29
s.s. Banca	Aug. 18	Oct. 11	Oct. 12
s.s. Ceylon	Sept. 1	Oct. 25	Oct. 26

Nippon, Yusen, Kaisha: Outwards.

	Leaves London.	Leaves Middlesbrough.	Leaves Antwerp.	Arrives Kobé.	Arrives Yokohama.
s.s. Hitachi Maru	Aug. 15	Aug. 2	Aug. 10	Oct. 1	Oct. 7
s.s. Wakasa Maru	Aug. 29	Aug. 16	Aug. 24	Oct. 15	Oct. 21
s.s. Kanagawa Maru	Sept. 12	Aug. 30	Sept. 7	Oct. 29	Nov. 5
s.s. Sado Maru ...	Sept. 26	Sept. 13	Sept. 21	Nov. 12	Nov. 18
s.s. Kawachi Maru	Oct. 10	Sept. 27	Oct. 5	Nov. 26	Dec. 2
s.s. Bingo Maru ...	Oct. 24	Oct. 11	Oct. 19	Dec. 10	Dec. 16
s.s. Tamba Maru	Nov. 7	Oct. 25	Nov. 2	Dec. 24	Dec. 30
s.s. Sanuki Maru	Nov. 21	Nov. 8	Nov. 16	Jan. 7	Jan. 13
s.s. Hakata Maru	Dec. 5	Nov. 22	Nov. 30	Jan. 21	Jan. 27
s.s. Awa Maru ...	Dec. 19	Dec. 6	Dec. 14	Feb. 4	Feb. 10
s.s. Kamakura Maru	Jan. 2	Dec. 20	Dec. 28	Feb. 18	Feb. 24

PASSENGER LIST.

DEPARTURES FROM LONDON.

By N.Y.K. mail steamer *Hitachi Maru* to Kobé: Mr. T. Glover, Mr. I. Inonye, Mr. U. Obu, Mr. G. Fugita, Mr. G. Ohara. To Yokohama: Mr. T. Kondo, Mr. M. Nambo, Mr. Y. Ito, Mr. Blanckensee. By P. and O. steamer *Rome* to Yokohama: Mr. and Mrs. Bassett Hull. By the *Arcadia* to Yokohama: Mr. J. W. Pisnai. To Kobé: Mr. D. M. Young.

AMBASSADORS OF COMMERCE.

I.

"SUNLIGHT," IN THE EAST.

MR. SAMUEL HIRST, who leaves shortly to represent Messrs. Lever Brothers, the well-known soapmakers, in the East, is by no means a stranger in the Orient, for it was only recently that he undertook a tour through India on behalf of the same firm, and it speaks volumes in praise of his abilities that Mr. Hirst is now entrusted to carry out a second mission in that part of the world. It is Mr. Hirst's intention on the present tour to visit Japan, China, Siam, the Philippines, Dutch Indies, and other countries in the Far East of Asia not previously

MR. SAMUEL HIRST.

covered, taking the Straits and India on his way home. Mr. Hirst has our best wishes for not only a successful but a pleasant journey.

THE directors of the Hong-Kong and Shanghai Banking Corporation, have voted Sir Thomas Jackson, Bart., the chief manager of the bank, a grant of £15,833 6s. 8d. It has also been decided to erect a statue to Sir Thomas Jackson at Hong-Kong.

BOOK REVIEW.

WE have received a copy of a very excellent work, entitled "Japanese Self-Taught" (Messrs. Kegan, Paul and Co.), which, we believe, is the only work published fulfilling the want of what is, at the same time, a practical as well as helpful aid to the study of the Japanese language.

The author, in his preface, states that the one difficulty experienced by foreigners is in discriminating between what may be called the familiar and polite form of speech, and in order to combat this difficulty tables of carefully selected phrases are given, showing the difference between the literal translation and the correct form.

Anyone anticipating a visit to the Far East, or desirous of learning Japanese, would do well to secure a copy of this indispensable publication.

MESSRS. DAVY BROTHERS, of the Park Works, Sheffield, have received an order from the Imperial Japanese Government for an armour-plate mill complete. It will be similar in almost all respects to the one the firm supplied recently to the order of Messrs. Armstrong, Whitworth, and Co. The plant comprises a 48 in. armour-plate mill, with a three-cylinder reversing engine developing 12,000 h.p. A mill of this power, besides being suitable for armour-plate work, can also with advantage be used for rolling plates of such thickness as are required for boilers, girders, and ship work. Messrs. Davy have also on hand a 120-ton tilting furnace for the production of steel, and in their boiler department they are very busy. The orders include several installations of boilers for electrical stations.

A CORRESPONDENT informs us that the felt hat is rapidly growing in popularity in Japan, and it is estimated that as many as 500,000 "bowlers" have been imported during the last few years.

THE special commissioner appointed by the Japanese Government to report on the conditions of trade relations between South Africa and Japan, reference to which was made in our last issue, arrived at Durban on the 8th inst.

ORIGINAL
PLYMOUTH GIN.
EXPORTED IN CASES ONLY.
COATES & Co.'s ORIGINAL TRADE MARK PLYMOUTH GIN ESTABLISHED 1793
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GREAT BRITAIN AND JAPAN.

FROM AN INDUSTRIAL AND ECONOMIC POINT OF VIEW.

A WARNING TO GREAT BRITAIN.—I.

THE industrial development of Japan is a matter of very great interest and importance to the United Kingdom. The association of the two countries, apart from all political questions, is one that must in the near future bring about some vital changes in their relative positions. The great question is, will both gain equally thereby, or will Great Britain, as is so frequently the case, bestow more than she receives? For, in spite of all political relationships, Japan will, undoubtedly, seek her own well-doing, as do all commercial nations when they can claim a place in the front line. These considerations will be dwelt upon as we proceed, but for the moment it will be interesting to first of all grasp the geographical position of the country, which has a very important bearing on its industrial development.

To begin with, then, Japan does not stand in an altogether unfavourable position, geographically, to this country. This we may see by the distances which Japan is from this and other manufacturing countries. The distance from London to Yokohama, for instance, is 11,345 miles; from Liverpool to the same port, 11,270 miles; and from Glasgow 11,380 miles; these are *vid* the Suez Canal, of course. From New York the distance to Yokohama is 15,140 miles, which will be curtailed by several thousand miles when the Canal has been completed. From San Francisco and the Western ports of America the distance is, of course, very much less, and about half that from London to Yokohama. Seeing, however, that at the present time the bulk of American goods clear for abroad from New York, at any rate, at present, England may be regarded on a par with America from this special point of view. When, however, the Isthmus Canal is completed, the disadvantage to British goods will be of no small account, especially as the United States will be our chief competitor in Japanese markets. Certainly, there is another point to consider, namely, the industrial and manufacturing powers that Japan is likely to develop herself, and in what direction these will come into rivalry with foreign made goods. But of this we shall speak later. At the present time, then, Great Britain is at little or no disadvantage to America in relation to the position of Japanese markets, but there are other items to balance against this, especially in the shipping line. It is, unfortunately a fact that America can transport goods to Japan, *vid* London, at a cheaper rate than British goods can be sent from the same port to the same place. On the other hand, the economic conditions under which goods are manufactured in Great Britain in many cases give her an advantage over her Western rival. But perhaps the relative positions of the two competing nations can best be shown by giving the figures representing the imports and exports with Japan for the last few years:—

	United Kingdom.		United States.	
	Imports into.	Exports from.	Imports into.	Exports from.
	£	£	£	£
1890...	916,300	4,325,587	3,220,900	1,117,150
1895...	788,300	4,517,200	5,402,900	927,600
1896...	901,200	6,039,800	3,179,700	1,692,800
1897...	848,800	6,678,200	5,362,500	2,784,200
1898...	778,400	6,432,500	4,787,200	4,087,100
1899...	1,127,100	4,593,000	6,422,900	3,920,900
1901...	1,148,250	5,057,578	7,230,936	4,276,943

From these figures it will be observed that while we send far more to Japan than does America, the latter country takes more Japanese produce than Great Britain does. Another feature of these figures also is, and it is a very important one, that America has vastly increased her exports to Japan in recent years, and this may be indicated in the following manner:—

	1890.	1901.
	£.	£
Total trade between Great Britain and Japan ...	5,241,887 ...	6,205,828
Total trade between United States and Japan ...	6,338,050 ...	11,507,879

GREAT BRITAIN YIELDING TO AMERICA.

It may be argued from these figures that we have not lost our hold on Japan's markets, that we have progressed; but such a method of argument would be absurd and most injurious. Look the facts squarely in the face, and it will have to be acknowledged that, considering Japan has increased her population very considerably within the last ten years, and noting that she has become much more of an industrial and trading nation, Great Britain has not only not progressed, but is rapidly yielding her position to her great rival, America. The total of Japan's foreign trade in 1895 amounted to £37,800,000, in which Great Britain was interested to the extent of,

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as we have shown, a little over £5,000,000, and the United States to the extent of slightly over £6,000,000. In the year 1901 how do the two countries participate in the total foreign trade which amounted to over £50,720,000 sterling? Thus, Great Britain held only 6 millions worth, while the United States controlled no less than 11½ millions worth. These figures are too clear to be mistaken, and their meaning is as clear. The position is one of undoubted warning to this country, and unless it endeavours to meet the demands of a country which is certainly prejudiced in favour of Great Britain at the present time, the future has some very unpleasant surprises in store for it. Great Britain has taught Japan a very great deal, and has aided her to take her place among the manufacturing nations. It is said that there is no sentiment in trade, which, however, is not altogether the truth. There is, at any rate, what is called the "psychological" moment, which is as important in industrial as in social affairs, and that time is undoubtedly the present. The *rapprochement* of the two countries has made them more sensible of the aid one can give the other in more than one direction, and the manufacturers and traders of Great Britain will perpetrate little short of a crime if they do not make the most of the circumstances which are now so favourably disposed towards them.

We shall enter into a little more detail on this aspect of the relationship between the two countries in our next issue. S. O.

DIVIDENDS AND REPORTS.

Eastern Telegraph Company.

The report of the directors of the Eastern Telegraph Company for the six months ended March 31st states that the revenue amounted to £617,525, and the net profit, inclusive of £24,533 brought forward, to £434,586. After deducting Debenture and Preference interest and interim dividend, there remains £320,039, out of which the directors, after placing £10,000 to reserve for maintenance of ships, and £175,000 to general reserve, recommend a final dividend on the Ordinary Stock of 1¼ per cent., and a bonus of 2 per cent., making 7 per cent. for the year, and leaving £5,039 to be carried forward.

Crompton and Co., Ltd.

The directors of Messrs. Crompton and Co., Ltd., have declared a dividend at the rate of 6 per cent. per annum for the half-year ended March 31st.

Day and Martin, Ltd.

The directors of Messrs. Day and Martin have declared an interim dividend at the rate of 6 per cent. per annum for the past half-year.

COMMERCIAL MATTERS.

WINDING-UP PETITIONS.

Anglo-Japanese Trust, Ltd. Meeting, Worcester House, Walbrook, E.C., September 10th at 3, for an account of the winding-up.

THE KAIJI KYOKAI.

Among the many institutions and associations which have been established in Japan, the Kaiji Kyokai or Maritime Association is perhaps one of the most interesting and important. The association is supported by practically all the business men in Tokio, and a considerable number of those in other parts of the country. The aim of the Kaiji Kyokai is to establish a kind of Japanese Lloyds, and one of its objects is to bring the naval forces and the mercantile marine into closer contact, and thus promote the development of the latter. At a recent meeting Viscount Yoshikawa delivered a speech, in which he alluded to the growth of Japan's mercantile marine during the Meiji era, namely:—

	Number of Steamers and Sailing Vessels of Foreign Style.	Tonnage.
1870	46	17,000
1882	614	209,000
1891	7,564	664,000

These figures, he said, unquestionably offered ground for congratulation, but compared with the corresponding figures for Occidental countries, they left a great deal to be desired. The following figures show, first, the total number of qualified seamen in Japan, and, secondly, the number of foreigners included in that number at the dates mentioned:—

	(1)	(2)
1871	248 ...	74
1892	4,522 ...	718
1901	15,208 ...	319

Viscount Yoshikawa also pointed out that, whereas twelve or thirteen years ago only four lines were subsidised by the Government—namely, the Yokohama-Shanghai, the Kobe-Tientsin, the Kobe-Nieuchwang, and the Kobe-Vladivostock, the distance traversed by the steamers on these lines being 210,000 nautical miles annually—there were now sixteen lines thus subsidised, including lines to America and Europe, and the number of miles traversed was 1,800,000 yearly. Statistics showed that twelve years ago, when Japan's foreign trade represented 140 million yen, only 14 million yen's worth was carried in Japanese bottoms, whereas in 1901 the trade had reached the figure of 428 millions, and the portion carried by Japanese vessels had been 148 millions. He adduced these figures with satisfaction, and said that while they bore testimony to the assistance rendered by the society in developing Japan's mercantile marine, they also indicated what a great field offered for its exertions. Count Okunu followed with one of his interesting speeches, in which he dwelt on the economic aspects of the mercantile marine, and insisted on the importance of Japan's acquiring ability to building all her own ships. This is evidently part of her plan, which she is carrying out with steady perseverance, and already with considerable success.

Mr. Alfred Brunet, of Montreal, has been appointed by the Dominion Government as Special Commissioner to Japan, to investigate the means of promoting trade between that country and Canada. Mr. Brunet expects to be absent about six months.

THE ANGLO-JAPANESE GAZETTE

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PURVEYORS TO
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AND
H.R.H. THE
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PRIZE MEDAL, PARIS, 1900.

THE JAPANESE ARCHÆOLOGICAL EXPEDITION.

COUNT OTANI KOZUI and Watanabe Tetsushin, members of the Japan Society of London, have just organised an expedition for exploring in Central Asia, which promises to be of much archæological interest—one, moreover, which should show the world that the savants of New Japan have enthusiasm for original work quite as keen as that which Europeans possess.

The particular object of the expedition is to search for Buddhist remains along the line that the followers of Gautama made their way through India, Central Asia, and China to Korea and Japan. It will also study Mohammedism, and whatever there is of traces of the Nestorians, those Christians who left Constantinople in the fifth century and worked their way Chinaward.

There are five others in the party besides Count Otani and Mr. Watanabe. Count Otani is the leader of the expedition. He has done much travelling, and, besides being a member of the Japan Society, is also a member of the Royal Geographical Society and of the Meteorological Society. His father, Otani Kozon, who lives in Kiyoto, is Lord Abbot of Nishi Hon-gwan-ji (Monastery of the Original Vow), and a direct descendant of Shinran, the founder of the Shin Shu sect, a famous priest of the eleventh century. Shinran was of Imperial blood (Monzeki); his ancestors had held office in the Mikado's Court since certainly the earliest historical time, and Japanese tradition says since B.C. 600.

Otani Kozui was elected to the Geographical Society on account of his work in China between Hang-Kow and Peking. He has studied Mohammedanism and Christianity in Jerusalem, and has spent a year within the Arctic Circle. During the past two years he has been at work in Sanscrit and Ancient Chinese in the British Museum.

Watanabe Tetsushin, like all the other members of the party, is a member of Nishi Hon-gwan-ji. He has been studying Church History in London with a priest of the Established Church. He spent a year in preparation for the present work in St. Petersburg, and has a good knowledge of the Russian language. Another member of the Japan Society who accompanies the party is Mr. Inouye Koen, a veteran of the Chino-Japanese War, in which, it will be remembered, the Japanese showed wonderful skill in their transportation arrangements. Mr. Inouye will have charge of the luggage department. Mr. Mori Masao, M.J.S., goes with the expedition as photographer, with as complete an outfit, perhaps, as ever an explorer had at his command.

The two gentlemen whom Count Otani depends on to do the expert work in examining the Ancient Chinese,

Japanese, Indian, and other MSS., are Messrs. Fujii Sensho and Sonoda Shue, both Doctors of Philosophy, who have been studying in Berlin and Paris. They have spent several years in India already, laying out plans for the present work and preparing themselves for their duties. Dr. Sonoda has also spent some time in the United States studying "Institutional Churches" in New York, Chicago, and San Francisco. He helped to establish five Buddhist missions on the Pacific coast of America—one at each of the cities of Sacramento, San Francisco, El Pasco, Seattle, and Victoria.

Though the amount of money that Nishi-Hon-gwan-ji can place at the disposal of the expedition is practically unlimited, Mr. Watanabe does not expect the cost to be extraordinary. The members of the party being all Asiatics, it will be comparatively easy for them to travel without attracting suspicious attention. Then, too, their knowledge of the languages of the countries they are to visit will be of service to them.

Dr. Fujii and Dr. Sonoda go to India direct, and confine their work to certain well-defined districts there. Dr. Fujii's speciality is the Cape Temples and the Bombay Presidency. Count Otani has been spending some time with Sven Hadin recently in Stockholm, and Mr. Watanabe has been coaching with Captain Deasy, a gold medallist of the Royal Geographical Society.

The approximate route of the expedition after leaving St. Petersburg and Moscow will be through Baraku, the Caspian Sea, Barnarkan, Okan, Adijan (the railway terminus), on to Osh by post-cart, to Kashgar by caravan, on to Kuchi (the centre of Buddhism in the fifth century), Akasu, Khotan (if possible, across the Gobi Desert), where Buddhists were active during the seventh century, the Karakoram Pass, Rangoon, Mandalay, Tai Nan Fu, Su Chou, Chin Tu Fu, the Nang Tsu Valley, to Shanghai, where Count Otani expects to arrive in September, 1903. C. L. B.

Reports from Nagasaki state that dredging and reclamation work have been steadily carried on during the past year in connection with the harbour improvement scheme. A large area has been filled in at the head of the harbour and in front of the Island of Deshima. It is estimated that seven-tenths of the total reclamation is now complete. A portion of the foreshore adjoining the Custom-house has also been filled in, and sheds erected thereon to facilitate the handling of cargo. It is anticipated that, on the completion of the work of reclamation, the station of the Kiushiu Railway Company will be moved to a site nearer the town, its present situation being inconveniently remote.

Mr. Shiro Fujita has succeeded Mr. Yoshio Takahashi as director of the Silk Spinning Company formed recently.

The Editor will be glad to receive from the Secretaries of Companies interested in the Eastern trade copies of their reports for publication in the columns of the Gazette.

Communications from readers are invited with regard to any information that may be desired in reference to subjects that come within the scope of the Gazette.

OUTLOOK IN JAPAN.

The Manager of the Yokohama Specie Bank Interviewed.

Mr. Yoshigusu Nakai, the late Managing Director of the London branch of the Yokohama Specie Bank, Ltd., 120, Bishopsgate Street Within, E.C., is now in Japan. A representative of The Anglo-Japanese Gazette called the other day and saw Mr. Tetsutaro Aoki, the newly appointed manager, who without any questioning volunteered the statement that The Anglo-Japanese Gazette had been well received by the Japanese resident in London, and that he thought such a journal

Mr. Tetsutaro Aoki.

at this time might be of the greatest service in furthering Anglo-Japanese interests, and that in the near future its influence could not be other than far-reaching.

"Japan at the present, as far as its economical condition goes," said Mr. Aoki, "is in a waiting stage. The Government has spent very large sums in improvements, battleships, and in the extension of public works, and the public has gone in for all sorts of new enterprises—hence as the natural consequence money became scarce. People are now waiting for the things to get back to their normal condition. During the last year or two business has been none too good in Japan, but the decided improvement is already noticeable.

Asked about the success of the flotation in this country of the Yokohama Waterworks Bonds, Mr. Aoki said that £90,000 worth of these municipal bonds were

purchased from the Yokohama Municipality by the firm of M. Samuel and Co., which they readily disposed of in London in July last. These bonds are now quoted at 4½ per cent. premium. "There is much talk," continued Mr. Aoki, about the Japanese Government loans in this country, but I do not think there is any foundation whatever for such rumours.

The Yokohama Specie Bank, Ltd., is one of the largest and most important financial institutions in Japan. Established in 1880, its capital is 24,000,000 yen, and the reserve stands at 9,000,000 yen.

Mr. Tetsutaro Aoki, who has succeeded Mr. Nakai in the London office, is a graduate of the Imperial University at Tokio, where he studied law and economical science, and was afterwards appointed councillor at the treasury department. During the last ten years, however, he has been connected with the Yokohama Specie Bank, Ltd., and before coming to London successively filled the position of manager at the branch establishments in San Francisco and New York.

DIVIDENDS AND REPORTS.

THE report submitted at the ordinary half-yearly meeting of the shareholders of the Yokohama Specie Bank, which was held in Yokohama recently, shows that the net profit for the six months ended June 30th last, amounted to 1,430,000 yen. After placing 200,000 yen to reserve fund, which now stands at 8,910,000 yen, and providing the sum of 100,000 yen against the future depreciation of silver, and carrying to the next account the amount of 495,000 yen, the directors have declared a dividend at the rate of 13 per cent. per annum.

The directors of the First and Third Banks of Japan, at a general meeting of shareholders held in Tokio, declared a dividend at the rate of 9 and 10 per cent. per annum respectively.

The directors of the Nagoya Electric Tramway Company have declared a dividend at the rate of 6½ per cent, carrying 1,720 yen to the reserve account. Mr. Okamoto, the managing director, in referring to the extension of the line, stated that it was estimated that the extension would be completed by the end of the year, and opened for traffic early in January next. The cost of the new line is estimated at 100,000 yen.

The Osaka Shosen Kaisha, at the general meeting, declared a dividend of 10 per cent. At an extraordinary meeting it was decided to establish branches at Hong-Kong and Atsuta.

The Miye Cotton Spinning Company, Yokkaichi, has declared a dividend of 14 per cent per annum.

The Osaka Brewing Company have declared a dividend at the rate of 20 per cent. per annum.

The Tokio Fire Insurance Company have declared a dividend of 12 per cent.

The report of the Japan Petroleum Company for the past half-year shows a net profit of 223,124 yen, out of which the sum of 143,000 yen was appropriated for payment of dividend, leaving 80,124 yen to be carried forward.

THE firm of Messrs. Silva and Co., Ceylon merchants, of No. 187, Yamashita-cho, has been wound up, and in future the business will be carried on by Mr. G. M. Da Silva at the same address.

JAPANESE BANKING.

THIRTY years ago there were no Japanese banks, but since that date the encouragement which the Government has given to these financial institutions has brought about a development which is one of the striking features of the modern history of Japan. The original national banks, authorised in 1872, were permitted to issue notes which were practically inconvertible, a false step which led to so much depreciation of paper money that heroic measures had to be taken to put the note issue on a convertible basis. In order to effect this greatly needed reform, the Bank of Japan was established in October, 1882, and given the sole privilege of issuing bank notes, a privilege which had previously been enjoyed by more than 150 national banks. These banks, which are of historical interest as being the pioneers of Japanese banking, changed themselves into private institutions, or were wound up, so that by February, 1899, there existed no national bank in the country. During the first ten years of its history Japanese banking nearly led to serious disasters, but since the reform of the system the properly established banks have greatly grown in strength and prosperity.

YOKOHAMA SPECIE BANK.

One of the most interesting of the Japanese banks, and the best-known one in this country, is the Yokohama Specie Bank (Yokohama Shokin Ginko). In November, 1879, a bank was established in Yokohama under the national bank regulations, with a capital of 3,000,000 yen, for the purpose of affording facilities to Japanese merchants engaged in foreign trade. As the Government refused it permission to issue convertible notes, the new bank chiefly devoted its attention to the business of foreign exchange and dealings in foreign bills. As the bank was, from its organisation and the nature of its business, entirely different from the national banks which then existed, special regulations had to be made for it. The prosperity of the Yokohama Specie Bank dates from the promulgation of these regulations in 1887. In that year the capital was increased to 6,000,000 yen; in 1896 a further increase was made to 12,000,000 yen; and in September, 1899, the capital became 24,000,000 yen, at which it now stands. The paid-up capital is 18,000,000 yen, upon which dividends of 13 per cent. per annum are paid. The bank makes net profits each half-year of between 1,400,000 yen and 1,500,000 yen, and regularly increases its reserve fund, which amounts at the present date to 8,910,000 yen. This important institution has branch offices in London, New York, San Francisco, Lyons, and in many other important centres. Its deposits at the end of 1901 amounted to some 47,000,000 yen, and its liabilities under bills, etc., to about 72,000,000 yen. This bank combines enterprise with sound and conservative financial methods, and compares favourably with many of the best European exchange banks. The management is entirely in the hands of Japanese officials.

BANK OF JAPAN.

The Bank of Japan, established in 1882, has a capital of 30,000,000 yen, and acts as the organ for the national financial administration. It has the sole privilege of

issuing convertible notes, manages the receipts and expenditure of the Japanese Treasury, and conducts the import and export of bullion. It is modelled largely on the plan of the Bank of England, but instead of being under private management, like the great English bank, its operations are supervisel by officials appointed by the Minister of Finance. The regulations as regards note issue correspond nearly with those of the Bank of England. Notes to an unlimited extent may be issued against cash reserves, but the amount of notes issued against securities are limited to 120,000,000 yen, under the condition that the Government shall impose a tax at the annual rate of 12½ per cent. on an average monthly amount of issue. In times of monetary pressure the Minister of Finance has power to authorise an excess issue against securities. This power corresponds somewhat with the British Chancellor of the Exchequer's power to suspend temporarily the Bank Act, though in the latter case the Imperial Parliament must cover up by an Act of Indemnity the technically illegal action of the British Chancellor. In theory the Bank of Japan has all the powers of the Bank of England to regulate the import and export of bullion by manipulating the rate of discount (under sanction from the Minister of Finance), but in practice the Japanese institution is not strong enough to have much influence on the international money market. No doubt in time its power in this respect will grow. It is a power which rests upon fundamental economic laws, and is one which no Government can bestow. The Bank of Japan has no direct dealings in foreign markets, but acts through the Yokohama Specie Bank. This latter institution is assisted by the central bank in many ways. The Bank of Japan rediscounts its foreign bills up to 15,000,000 yen at a specially low rate of interest, and generally gives to it moral and financial support. Formerly the Bank of Japan allowed loans and discounts exclusively to bankers, but since June, 1897, individuals and corporations of good business standing have been dealt with directly. This measure was taken in order to extend the benefit of moderate rates of interest to the general market, and to check the excessive profits often made by bankers which acted as intermediaries between the Bank of Japan and the public.

INDUSTRIAL BANK OF JAPAN.

Japan has, in addition to the banks which we have mentioned, recently established a system of industrial and agricultural banks, the working of which is being watched with much interest. They have been established to supply capital at low rates for long periods, for the purpose of improving and developing agriculture and industry. The Industrial Bank of Japan was founded in August, 1897, with a capital of 10,000,000 yen, of which 2,500,000 yen is paid up. As it has the power to issue debentures and to receive Government subsidies, it is strictly supervised by specially appointed Government officials. The amount of debentures is limited to the total amount of the loans. The Industrial Bank of Japan has so far been worked at a profit; but as the loans are for long terms, repayable by instalments, it requires time before one can say whether the system is really successful. The Industrial Bank is in close touch with a large number of local agricultural and industrial banks, all of which are under Government supervision. The debentures of these subsidiary concerns may be subscribed by the Industrial Bank of Japan, and the maximum limit which any one minor bank can issue is five times its capital.

It should be remembered that bills and cheques, with which the Western world has been familiar for centuries, are new things in Japan. Their use has been encouraged in every way during the past twenty years, and both discount and ordinary banking business has grown to a very considerable extent. There are clearing-houses in Osaka, Tokio, Kyoto, and Kobe, and though the amounts cleared appear small to us, yet the rapid expansion is a good sign for the future.

In this country we are accustomed to the free competition of banks, none of which are controlled as regards their management by the Government. In Japan, while there are a considerable number of private banks, yet they are pretty closely subject to regulations, and the principal institution, the Bank of Japan, is in fact, if not in name, a department of the Government. The same may be said of the Industrial and Agricultural banks, the Colonial Bank of Hokkaido, and the Bank of Formosa. The close supervision of the Minister of Finance, which is no doubt for the present necessary in Japan, would be resented here; but at the same time it adds to the security of the local institutions, and gives those who have dealings with them confidence in their stability. Always provided that banks are conducted on sound and equitable lines, no institutions so rapidly assist the development of a country and the rapid movement of capital upon which development depends. In a business so full of complications it was only to be expected that Japan should make some pitfalls in the establishment of its banking institutions; but it has learned much by its initial mistakes, and the existing system, though capable of improvement, leaves little to be desired by those who have trade relations with the Far East.

YEN.

THE amount of Japanese Loan Bonds held by foreigners is estimated at 150 million yen. The Bonds, which have hitherto been mostly in the hands of bankers, are now being taken up by private individuals. This is regarded as a satisfactory sign for the sake of the credit of Japanese Bonds. The following table, given in a recent issue of the "Japan Gazette," shows the respective possession of Japanese Bonds at the end of 1901:—

	War and Consolidation Bonds.	4 per cent Bonds.
Banks and bankers ...	Y.50,332,800	£7,462,950
Jobbers	—	64,900
Public companies	156,500	230,100
Brokers	—	2,200
Firms	1,106,000	368,650
Insurance companies ...	350,000	17,006
Private persons	2,934,800	166,150
Japanese Government ...	—	1,647,750

At the end of 1900 the amount of War and Consolidation Bonds owned by private persons was 2,046,400 yen, but it had increased by 900,000 yen at the end of 1901, and those possessed by insurance companies also increased by 100,000 yen.

GREAT BRITAIN AND JAPAN.

FROM AN INDUSTRIAL AND ECONOMIC POINT OF VIEW.

II.—Possibilities of Reciprocal Trade.

In the first article under the above heading we indicated in a general manner the trade relations existing between Great Britain and Japan. We showed that at the present time the former, as is natural, sent out to Japan a good deal more than she received from her, and that the United States, our chief competitor, took more from Japan than she sent to her.

Now it must be kept in mind that Japan is in a state of industrial transition; she is becoming more and more a manufacturing people, and consequently stands in need of those requirements and facilities which are at the basis of industry.

In the near future, there can be little doubt, Japan will be greatly developing her iron and steel manufactures and her engineering work. With this in view, her people have visited the foremost manufacturing nations, and have made themselves thoroughly acquainted with the latest means and methods; and the result is that these men, stored with knowledge and experience, will, when they return to their native land, set about the foundation of factories and workshops in order to produce at home what they now get from abroad. Is this temporary migration of the Japanese fully appreciated by the manufacturers in this country?—because its meaning has a very great bearing on Japan's relationship to foreign countries in the near future. This great scattering over the world of these go-ahead Eastern people was one of the most remarkable features of the closing years of the nineteenth century. It is an interesting study in ethnology how the Japanese, so closely allied in origin to the Chinese, living practically under the same conditions, should so easily throw off their conservatism and prejudices, and become part of the great progressive community of the manufacturing West. With this we have nothing to do here, but in the results of it we, in common with other nations, shall undoubtedly participate. It will mean an opening up of Japan's natural resources, and their application to industrial purposes in every direction; it will mean the transformation of the country into a manufacturing and engineering community, and will doubtless dominate the Orient to a very great extent. It may be said that this is in the future; but, as a rule, we rather under than over estimate the possibilities of the future, and make little preparation for an event until it is closely upon us. True, Japan has to face difficulties in establishing herself as a manufacturing country. Iron and steel are the basis of this, and Japan's iron ore is not of much value—that is, so far as it has been worked there. From where can she obtain this? Probably much of it will come from America—it may be in the form of pig iron; and England can only participate in this by sending the latter and semi-manufactured goods, the finished product being turned out in Japanese works.

The Centre of a Large Import Trade.

Viewing things in a broad manner, it seems very clear that Japan must perforce become the centre of an extensive import trade, which, keeping in mind the present trend of Japanese thought and ambition, is brought out by the following list of goods she exports. It is unnecessary to give quantities here, as they would not emphasise the argument.

Chief Japanese Exports.

1. Silk and silk waste manufactures.
2. Green tea.
3. Coal, etc.
4. Rice.
5. Matches.
6. Copper, wrought and raw.
7. Cotton manufactures.
8. Pottery, etc.
9. Pharmaceutical products.
10. Oil, wax, and soap.

These are arranged according to importance, and by the figures representing their values, it is noticeable that between 1890 and 1900 the greatest advances have been made in silk manufactures, the manufacture of cotton goods, and wrought copper, or in the commodities in which machinery is employed. It is a step in the onward march of an awakened people, though the list shows also that there is room for development, and that, to realise the aims they have set before themselves, the Japanese will, even more than England, have to depend to an enormous extent on outside aid. What she does in this direction at the present time is indicated in the following list of commodities she imports from abroad:—

1. Cotton.
2. Sugar.
3. Iron, wrought or partly.
4. Cotton tissues.
5. Woollen tissues.
6. Cotton and woollen yarn.
7. Corn and flour.
8. Scientific instruments.
9. Iron and steel manufactures.
10. Petroleum.
11. Coal.

The bulk of these is formed of textiles, chiefly obtained from this country, and in these considerable advances are noticeable in recent years.

These two lists form a graphic picture of what lies before Japan if she is to attain to the height of her aspirations—*i.e.*, a manufacturing and exporting nation. That it is possible for her to do this is unquestionable; but her requirements are great, needing as she does the chief element of manufacture—namely, iron ore. Failing this, the primary products, pig iron and steel, should be one of Japan's most important imports within the next few years. It is scarcely likely that she will be satisfied with merely being the constructor of the East, though for some time to come this is more likely to be the *rôle* of her engineers and mechanicians than anything else. This will be the time during which England should make firm her foothold in that country, and see that America, who has already greatly encroached on our trade, does not get in first and obtain the best. For instruments and machinery of all kinds there should be a big opening in Japan; for constructional ironwork, rails, and various descriptions of iron manufactures, for locomotives, engines of all descriptions, there cannot be the slightest doubt that Japan, during the next ten years or so, will do a very large trade. It is not so easy to say how Japan can reciprocate, except along the lines trade is already moving on. One cannot "look into the future" very far, but it may be that some valuable metallurgical deposits will be discovered that will alter the whole status of Japanese trade and industry and her destiny in the Far East.

S.O.

THE TRADE OF KOREA FOR 1901.

PARTICULAR importance is attached to the commerce of Korea at the present time, owing to the existing relations between that country and Japan, and it is pleasing to note from the latest report a marked expansion in the foreign trade generally. For the first six months trade was exceptionally brisk, more rice leaving the country than in the whole of the preceding year; foreign imports were in good demand, and a record year was predicted, more especially as there were rumours that the rice crop in Japan, the most important factor in the Korean market, would be below the average. Large orders for piece goods were placed in the United Kingdom. The hopes that were formed were blasted by the failure of the harvest owing to a severe drought, and for the last six months of the year business was at a standstill.

Mr. Consul Goffe, however, thinks it safe to say that the outlook is encouraging, and that the foreign trade of the country is steadily, and even rapidly, growing. The following table shows the total value of exports and imports during the past five years:—

Year.	Total Imports and Exports (exclusive of Gold export).	Total Foreign Trade.			Exchange.	
		Export of Gold.	Currency.	Sterling.		
	yen	yen	yen	£	s.	d.
1897...	19,041,409	2,034,079	21,075,488	2,129,502	2	0¼
1898...	17,527,051	2,375,725	19,902,776	2,011,009	2	0¼
1899...	15,225,185	2,933,382	18,158,567	1,815,857	2	0
1900...	20,380,327	3,633,050	24,013,377	2,401,338	2	0
1901...	23,158,419	4,993,351	28,151,770	2,873,827	2	0½

It is fairly certain that the returns for the present year will show a great falling off, notably in imports, on account of the large stocks of foreign goods in the country still unsold; but it would be wrong to conclude from this that the trade with foreign countries is declining, and with an average harvest this year this trade will, in all probability, resume its normal expansion.

The total value of the exports to foreign countries was £863,824, as against £943,987 for the previous year.

The total imports amounted to £1,500,265, as compared with £1,094,046 during the previous twelve months, an increase of £406,219. For the first time for many years British piece goods show a striking advance, grey and white shirtings having increased from 278,163 pieces, value £110,511, to 402,156 pieces, value £176,892. Japanese cotton goods show a slight advance all round, but the importation of Japanese yarn has fallen from 7,142,933 lbs., value £159,132, to 5,028,800 lbs., value £119,781. This decrease is accounted for partly by the unfavourable conditions of trade, and partly by the depreciation in the value of the Korean currency. Still, the figures show that the Japanese have obtained a practical monopoly in the foreign yarn market, the quantity of British and Indian yarn imported only amounting to 120,933 lbs., of the value of £4,193. Woollen goods show an increase in value of £11,195.

The import of kerosene oil continues to increase by leaps and bounds; but it is the American product which finds favour in the country, although Russian oil in bulk is now beginning to be imported. The value of the gold dust exported from Korea rose from £363,305 in 1900 to £509,738 in 1901, and of the latter total a little more than £150,000 represents the value of the shipments from the American mines, the remainder being the produce of native workings. These figures, however, only give the value of the gold dust declared at the customs, and do not include the very large amount which annually leaves the country in passengers' luggage, and which does not appear in the customs returns. The value of the machinery imported into the country in 1901 was £12,546, and the railway plant and material £27,963, while metals do not appear at all in the import list.

During the past twelve months 4,972 vessels, representing 985,309 tons, visited the ports open to trade, being an increase of 563 vessels and 143,932 tons over the figures for the preceding year. The number of steamers rose from 2,097 to 2,439, and there is now no Treaty port which is not touched at by ocean-going steamers, and seven out of the eight have direct steam communication with Japan. It is entirely owing to Japanese enterprise that merchants now have such regular communication with the outside world.

In the shipping returns for last year Japan easily maintains her supremacy, being represented by 3,288 vessels, aggregating 752,190 tons, or more than 65 per cent. of the total number of vessels, and more than 73 per cent. of the total tonnage. British shipping is still conspicuous only by its absence, being unable to compete against the heavily subsidised Japanese and Russian vessels.

Various mining concessions have been given to British, American, and German syndicates, and some progress has been made with the works. The satisfactory returns from the American mines are encouraging, but it has yet to be proved that mining operations with Western methods and appliances can be profitably carried on in Korea. The experience now being gained will throw further light upon this important point.

The developments which are taking place prove that events are moving in Korea. A fair start has been made with telegraphs, and banks are being instituted. Various public works are being carried out, and the transformation of Seoul into the semblance of a Western capital goes on apace. The electric tramway now embraces a large portion of the city and suburbs; the principal thoroughfares are lit with electric light. A handsome new Japanese post-office has recently been erected in the foreign quarter, and a scheme of waterworks for the entire city has been prepared. At present the currency is in a disastrous condition, and if it were not for the Japanese gold yen, there would be no standard for foreign trade. It is not possible that the Government will seriously tackle the currency problem for a considerable time.

A recent report from Japan states that acetylene for illuminating purposes is fast finding favour. Great progress has been made in the manufacture of calcium carbide and generators, and, in view of the economical character of this gas, it is anticipated that it will soon be adopted for the lighting of small towns in various parts of Japan.

JAPANESE ART WORK AT THE WOLVERHAMPTON EXHIBITION.

It has been said that the Japanese have pushed the dilettantism of art beyond imaginable bounds; for not only have they provided for the sense of sight the rarest

ONE SECTION OF MR. KITAJIMA'S EXHIBIT.

pleasures by displaying all the resources, all the illusions, all the magic of colour, but they have gone further and have given us what may be called the æsthetics of touch. A convincing proof of the truth of this statement is offered by the exhibit of Mr. Kojiro Kitajima in the Japanese section of the Wolverhampton Exhibition.

Mr. Kitajima, who is a native of Tokio, has been fortunate enough to secure some exceedingly exquisite examples of art work from various parts of Japan. Some faint idea of the beauty of these may be obtained from the accompanying illustrations, which represent only a small portion of the exhibit. The collection includes gold and silver work, swords and sword ornaments, Buddhist statuettes, embroideries, brocades, screens, kakemonos, Cloisonne enamels, armour, inros, etc., etc. One screen, representing some of the finest workmanship in Japan, is composed of hardwood, exquisitely carved and lacquered, and surmounted by three magnificent bronze eagles, the panels being executed in antique embroidered brocade. The value of this screen is put down at £350. A very fine specimen of ivory carving is an exquisite centrepiece, carved from one piece of solid ivory, valued at £300. There are also several other specimens of ivory of equally chaste design and workmanship. The panels ranged along the top of case are carved ivory, mounted on lacquer. In other cases are shown some rare and antique gold and silver work. A fine display of metal and lacquer ware and toys is made, the china and metal wares being especially well represented.

It is not possible, within the limits of our space, to portray in detail the beauties of each exhibit, therefore we can only select what to us seems the most important from a romantic, traditional, and necessarily sentimental point of view:—

The Kakemonos, which form one of the features of Mr. Kitajima's stand, are highly prized by the Japanese both at home and abroad. They consist of hanging pictures, painted by hand, and beautifully mounted on brocade. They are kept rolled up, and only

ANOTHER VIEW OF THE EXHIBIT.

one is displayed at a time, great care being taken to select one which is appropriate to the season or to the guest in whose honour it is displayed. The little bands of brocade which may be noticed at the top (futai) are now a mere conventional decoration. Originally they were weighted with lead to keep off the birds. They flapped in the breeze which enters freely into Japanese rooms, with their movable walls, and frightened chance birds who entered the open rooms.

Some kakemonos are painted by no less than three different artists, and are of great merit. One kakemono displayed by Mr. Kitajima is full of poetry. On it are depicted the genii of Long Life, with their emblems—the pine for unchangeableness, the bamboo for uprightness, the crane and tortoise for longevity. In the background is a conventional rendering of the sea. The broom, lying in the foreground, shows that these genii were country genii. This picture shows the way in which the Japanese delight in attaching a moral meaning to every natural object, plant or flower.

SAWMILL ENGINEERING IN JAPAN.

PERHAPS the latest of the many labour-saving devices to be taken up in Japan has been wood-working machinery, and the first Japanese subject to master the art of sawmill engineering was Mr. Tora Hiraoka, the head of a very extensive railway carriage works in

MR. TORA HIRAOKA.

Tokio, whose portrait we give above. Ever since the introduction of railways into Japan, woodworking machinery on a more or less limited scale has formed an item in the railway workshop plant. There are several complete railway-carriage-making factories run by private concerns. Woodworking machinery has also found its way into the arsenals and dockyards, and small private sawmills have been established in various centres. There is a large market for woodworking, especially joinery, machinery in Japan which manufacturers should endeavour to secure.

Tree-felling machines are not much used, as nearly all the available timber is brought from mountainous districts. The construction of houses in Japan lends itself more to mechanical treatment than the houses of, perhaps, any other country, for the simple reason that they are built upon a uniform principle, the result being that the variety in the measurements of the timbers used in building is very limited, and the amount of repetition work consequently enormous. The floors of the majority of Japanese houses are built at a certain height from the ground, and all the girders forming the framework between the rooms are at a given height from the floor. As with the framing of a house, so with the details. All rooms are partitioned off by means of shoji, sliding doors, and these are all interchangeable. In short, there is nothing in the construction of the ordinary Japanese house that does not adapt itself admirably to manufacture by machinery.

The special requirements of the Japanese in this way, the vast amount of repetition work, and the short lengths of the timber used, make it advisable to have special machinery for the purpose; and the manufacturer who will in the first instance study the question will be amply repaid, for the demand for suitable machinery will assuredly be very great.

It is satisfactory to find that British woodworking machinery holds its own in Japan. Both American and German makers have made great efforts to get the trade; but, as a rule, the quality of English machines for this purpose sent out to Japan has been satisfactory.

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THE MAYORAL GARDEN-PARTY AT PORTSMOUTH.

THE garden-party given by the Mayor of Portsmouth (Major W. T. Dupree), on the eve of the Naval Review, in honour of the visit of Rear-Admiral Ijuin and the officers of the Japanese Squadron, a short reference to which was made in our last issue, was an extremely brilliant gathering, more than 2,500 guests being present, including his Excellency Viscount Hayashi (the Japanese Minister), Mr. Goji Ukita (Chancellor of the I.J. Legation, and one of the honorary secretaries of the Japan Society), Mr. Arthur Diósy (Chairman of Council,

Mr. Arthur Diósy. Mr. Goji Ukita.

Photo by H.E. Viscount Hayashi, Major Dupree, Rear-Admiral Ijuin. *Russell and Sons, Southsea.*

REAR-ADMIRAL IJUIN AND STAFF AT PORTSMOUTH.

Japan Society), Captain Nakas, I.J.N., General Stewart, General Turner, Admiral Field, etc., etc.

A special feature of the programme was the performance of the band from the *Asama*, the Japanese instrumentalists rendering alternately familiar operatic selection with others from their own native repertoires, being equally facile in both schools of music.

In the evening a banquet was given in the Town Hall, at which the Japanese Minister was the principal guest. In thanking Major Dupree for the very courteous reception extended himself and his fellow-countrymen, Viscount Hayashi said that the occasion would ever remain in their hearts as a token of that cordial friendship which, he was happy to say, was daily growing, and would tend to cement the relations of the two countries more and more.

REPORTED EMBASSY FOR JAPAN.

THE Exchange Telegraph Company learns that Viscount Hayashi, the Japanese Minister to the Court of St. James's, will shortly be raised to Ambassadorial rank.

Such an appointment would naturally lead to the elevation of Sir Claude Macdonald to the position of an ambassador.

No official notification of the report has been received at the Legation, but for some time, however, there has been a feeling that the Legation will on an early date be elevated to an Embassy.

At present, his Excellency Viscount Tadasu Hayashi is spending his vacation at East Sheen.

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NOTICE.

THE ANGLO-JAPANESE GAZETTE *will be published on the 15th of each month. The Annual Subscription is 7s. (3½ yen), payable in advance, post free at home and abroad. Cheques, P.O.O., &c., should be made payable to "The Manager," and crossed "The Hong-Kong and Shanghai Banking Corporation."*

All letters relating to advertisements or of a business nature should be addressed to "The Manager," all other communications to "The Editor."

Any correspondence intended for insertion in the GAZETTE *should be accompanied by the name and address of the writer, not necessarily for publication, but as a guarantee of good faith. No notice whatever will be paid to anonymous correspondence.*

THE ANGLO-JAPANESE GAZETTE *can be obtained at all Railway Bookstalls or through any Newsagent. Should any of our readers experience any difficulty in obtaining copies, the Manager will esteem it a favour if they would acquaint him of the fact, and a copy will be forwarded from the office.*

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GENERAL NOTES.

FOR the second week in July, Japan's exports were 4,863,257 yen, and imports 4,633,362 yen, showing an excess of exports of 229,895 yen, bringing up the total exports from January to 120,637,985 yen, and imports 144,158,535 yen, the excess of exports being so far 23,520,550 yen. The exports from Yokohama for the same period of silk and tea were doubled; the import of cotton showed a slight decrease; the excess of exports was over 1,300,000 yen. Per contra, in Kobe there was an excess of imports, owing to a decrease in the match export, among other goods, thanks to the rise of exchange late. These figures point to a general improvement in Japan's foreign trade.

THE United States Consul-General at Yokohama, in a recent report, draws attention to the fact that, although the bicycle has not yet penetrated into the interior of the islands, it is being used extensively as a cheap method of locomotion in the seaports and large cities. Being employed principally for business rather than for pleasure, it is not subject to the caprice which sometimes causes such extraordinary fluctuations.

IT seems to us that the demand for bicycles in Japan is likely to grow for some time—a fact which should be noted by British firms. For the first five months of this year the imports showed an increase of 16 per cent. over the corresponding period of last year. A cheap bicycle, costing from £2 10s. to £5 5s., finds most favour. Bicycles for military purposes have been manufactured at the Government works, and, as the customs tariff on bicycles and automobiles is not conventional, the Government may, if it seems desirable, assist home industry by another schedule unfavourable to foreign makers, but there is no indication at present that this will be done. A few motor bicycles or tricycles are seen on the streets, but they are not at all common.

AUTOMOBILES are gradually coming into use for purposes of business. The postal authorities are considering the advisability of purchasing automobiles for the transportation of the imperial mails at Tokio. If the postal authorities decide to buy automobiles, those that are run by steam would be considered objectionable because of the danger of fire to the imperial mails. At present, gasoline is exceedingly expensive in Japan, but plans are in progress for its manufacture in the country. If these plans prove successful, gasoline will, it is said undoubtedly become very cheap, and its use for generating motive power will increase rapidly.

THE same report states that owing to the very few street railways in Japan an enterprising promoter might find it possible to establish a public automobile service, which, until additional street-car lines are built, would meet with no competition, except from jinrikishas.

THE authorities responsible for the working of the Japanese War Office are reputed to be extremely practical people. Evidently they have not, of late, been satisfied with the amount of work done by the junior officials in the accountant's department, for, according to an Exchange, they have taken away the chairs in which the clerks had for years been comfortably seated. The result of this somewhat drastic measure is said to be eminently satisfactory.

THE total absence of lighthouses and lightships on the coast of Korea has for some considerable time engaged the serious attention of the foreign representatives and shipowners, with the result that the Government has now sanctioned the application of the sum of 1,000,000 yen (£102,083), extending over a period of five years, from the Customs revenue. The matter has been placed in the hands of Mr. McLeavy Brown, the Chief Commissioner of Customs. A competent Japanese engineer, who has had large experience of this kind of work, both in the United Kingdom and Japan, has been engaged to superintend the construction of the lighthouses. It is proposed to erect thirty-one lights, and the selection of sites for this purpose is now being proceeded with. The first light is to be erected at the entrance to the Chemulpo River.

THE commencement of work on the Seoul-Fusan Railway has resulted in making Fusan a great centre of activity; and, in order to cope with the greatly increased volume

of trade which is certain to follow the opening of the line, a vast scheme of harbour reclamation has been prepared. This will provide building sites suitable for godowns, which are now sadly deficient. Other works in progress are the erection of a new municipal hall in the Japanese settlement, the construction of waterworks, the installation of electric light, and the making of good roads in the neighbourhood of the foreign quarter.

JAPAN produces two varieties of coal, ordinary and smokeless. The latter is largely mined in Amakusa, in the province of Kyushu, Kishu, and Nagato. In point of quality the smokeless coal is inferior to Cardiff and other foreign coal, and, in consequence, the naval authorities are obliged to obtain their supply from abroad. The districts where ordinary coal is chiefly procured are Krushu, Hokkaido and Iwaki regions, the coal produced at Takashima colliery being superior to any other. The total output in 1900 of Hokkaido was 7,429,457 tons, and the value amounted to 24,583,038 yen (about £2,458,000). Echigo stands at the head of the list in producing the largest quantity of mineral oils, followed by Hokkidu, Ugo and Totomi. The output in 1900 was 767,092 koku (30,453,552 gallons), representing 1,941,518 yen. Sulphur produced in Hokkaido, Rikuzen, Asumi, Shinano, and other provinces amounted to 14,435 tons, valued at 312,835 yen. In short, the value of the mineral output in Japan in 1900 was 49,936,378 yen (£4,994,000), an increase of four and a half times as compared with ten years ago.

THE Osaka Chamber of Commerce have decided to establish a society for the improvement of the retail system in that city. Mr. Doi Michio has been appointed president. It was also resolved to invite the city merchants to view the samples of Australian merchandise which are exhibited in the Chamber premises.

MR. MATSUKATA KOJIRO, President of the Kawasaki Shipbuilding Company, according to the "Japan Gazette," has left Kobé for a tour of inspection of the shipbuilding business in America and Europe.

MAJOR-GENERAL YAMANI, recently in command of the Japanese forces in China, has been appointed Military Attache to the Japanese Legation in Pekin. It is believed that Major-General Yamani will be entrusted with the direction of the re-organisation of the Chinese Army. This appointment of a Japanese officer of high rank is, no doubt, intended to give Japan equal standing with Russia.

As a result of the establishment of the Russo-Japanese Trading Company, it has been decided to run a steamship line between Osaka and Vladivostok. Some capitalists in Osaka are warmly supporting the project, wishing to profit, no doubt, by the advantages offered by the Siberian Railway.

THE Kawasaki Dry Dock Company, of Kobe, has, according to the "Japan Gazette," entrusted the Yasuda Bank with the floating of debentures to the amount of one million yen at 9 per cent. per annum, 1 yen being needed as commission per 100 yen face value. [Some particulars and illustrations of these docks will appear in our next issue.]

MR. WILLIAM HATISON has been appointed by the Dominion Government Commissioner for Canadian exhibits in the Sample Room in the coming Osaka Exhibition.

THE Oishida-Funagata section of the Southern O-u line of the Government Railway was opened to traffic at the beginning of last month.

THE directors of the Miyagawa Electric Company, of Yamada, Ise, have decided to construct an electric railway between Yamada and Futami. The cost is estimated at 195,000 yen, and the work is expected to be finished by April next.

WE regret having to announce the death of Rear-Admiral Endo, of the Imperial Japanese Navy. Rear-Admiral Endo, it will be remembered, was Naval Attache to the Japanese Legation in London in 1893.

NEGOTIATIONS for the amalgamation of the Tokio Electric Light Company and the Shinagawa Electric Light Company have been concluded, and a provisional contract signed. The purchase price to be paid by the Tokio Company is 225,000 yen.

IT has been decided by the Korean Government that Korea shall be well represented at the World's Fair to be held in St. Louis in 1904.

MR. NARUTAKI, late Mayor of Kobé, has received the medal of the Blue Cordon in recognition of his valuable public services. This is a decoration adopted by Imperial decree, and first issued in 1881.

THE first of the three locomotives ordered from England by the Seoul-Fusan Railway Company arrived at the end of last month, and a part of the line near Fusan will be opened for traffic in October.

VISCOUNT AOKI, formerly Minister for Foreign Affairs, has been invested with the Order of Dannerbrog by the King of Denmark; and Mr. Motono Ichiro, Japanese Minister in Paris, has also been invested with the Order of Leopold by King Leopold of Belgium.

THE JAPANESE GOVERNMENT STEEL WORKS AT WAKAMATSU.

The necessity of rendering Japan independent of foreign countries for the supply of iron and steel work attracted the attention of the Japanese Government for some considerable time, and as a result of the report presented by a Special Commission, they resolved in 1896 to establish works, and early in that year submitted a Bill to the Diet. They asked for an appropriation of over four million yen (£400,000), extending over four years, to construct works able to produce 60,000 tons of steel, which was about half the amount required at that time. This Bill was unanimously passed into law, and Wakamatsu, in the north-west corner of the island of Kiushiu, near the open ports of Moji and Shimonoseki, was selected as the site of the works. Experts were despatched to Europe and the United States to study the great iron and steel works there, and, as a result of their reports, further appropriations, making in all 20 million yen, were applied for and granted, and the Wakamatsu works were formally opened last October.

An interesting report on these works, prepared by Mr. E. Griffiths, is appended to the annual report from Shimonoseki. Two foreign experts, both Germans, are employed. Mr. Tejun Yamanouchi was appointed first president, and Mr. Michitaro Oshima chief expert, while Messrs. Taishin Nagao and Michisaburo Miyashita were appointed managers. On the resignation of Mr. Yamanouchi, in August, 1897, Mr. Rentaro Hotta, chief engineer of the Mining Bureau, was placed in charge, to be succeeded a few months later by Mr. Tsunashiro Wada, the present president. At the time of the inception of the undertaking Mr. Wada was Director of the Mining Bureau in the Department of Agriculture and Commerce, and was one of the original members of the Committee of Inquiry appointed by the Government in 1892. He was consequently thoroughly acquainted with the details of the scheme, with the origin of which he was so closely identified, and it was on his initiative that the original idea that the foundry was simply required to manufacture military and naval requisites for the Government was altered, and a programme of a more general scope adopted.

The works cover about 320 acres, and lie on the eastern side of a large lagoon, ten miles in circumference, which is connected with a pool or basin, a mile in diameter, and this, again, with the sea by a short and narrow channel. The lagoon is being deepened to 20 ft. at ebb tide, and a quay over 2,000 ft. long is being built along the front of the works, so that a ship of 3,000 tons displacement will be able to approach the quay wall. The work done up to the end of last year consisted of a channel 6,000 ft. long, 240 ft. wide, and 14 ft. deep, extending from the sea to the pier of the Kiu-shiu Railway Company. The quay and all parts of the works are connected with the main line of this railway, and there are about twenty miles of line about the works. The raw material, consisting of magnetite, hematite, and a smaller quantity of zimonite, is all obtained in Japan, except some supplied from Hu-peh, in China. Two iron mines and three coal mines have been acquired for the use of the works, all within twenty miles of the latter, and connected with them by rail. It is estimated that when in full working order the establishment will require 250,000 tons of ore per annum, 380,000 tons of coke, and 800,000 of coal. It is said that, when all the arrangements are complete, ore will be laid down in the works at a total cost of about 5 yen, or 10s., per ton. A recent official announcement states that the works are designed to supply the steel materials required by the Government departments at a price to be arranged yearly in advance. Certain kinds of steel will be supplied to the public, but only in large quantities to Japanese engaged in industry, and at prices lower than the imported articles. In February last the production of pig iron began, and in May Siemen's steel was produced at the rate of about 40 tons a day. Towards the end of June two of the five rolling mills were complete, and the production of medium and small rails and plates was started. Mr. Wada has stated that 90,000 to 100,000 tons of steel can be produced, and that the profits will cover, in a reasonable time, the capital invested in this important and novel industry in Japan.

THE TAKASIMA COAL MINES.*

By E. W. Nardin.

The Takasima Coal Mines comprise four islands near the entrance to Nagasaki harbour, and are owned and worked by the Mitsui Company.

There are several unusual features in the occurrence and working of these coal seams, viz., the steep angle of "dip," the numerous seams of good coal separated by hundreds of feet of sedimentary rocks, the extensive faulting of the strata, and the way in which the coal is won, when so little surface is available for works, and where there is the ever-present danger of subsidence of the roof and consequent flooding of the workings by the ocean.

The islands are named respectively Hasima (Extreme Island), Nakanosima (Middle Island), Takasima (High Island), and Yokosima, and are situated about one mile from the mainland. With the exception of Takasima, which is of fair size, and has some show of vegetation, they all are simply barren rocky nobs rising out of the ocean. Fig. 1 is a view looking south, and shows part of the works and township on Takasima, with the Islands of Nakanosima and Hasima in the in the distance. Fig. 2 shows a general view of Takasima; Nakanosima, Hasima, and Yokosima are similar islands.

Hasima and Yokosima have been partly levelled, and in both cases a high stone wall has been built along the water line; when entering Nagasaki from Shanghai, Hasima looks like a huge grey battleship, the chimney stacks, smoke, etc., adding to the deception. The country on the mainland (to the east) is entirely different from the islands, which appear to be the limit of the sandstone formation in that direction, so that if these beds had not been tilted to such an extent as to bring part of the upper strata above sea level, the coal deposits would probably never have been known.

The formation is said to belong to the "tertiary," and fossils of shells, etc., and leaves are plentiful in the

* Paper read before the Australian Institute of Mining Engineers.

shales. The main body of rock is a fine grained greyish sandstone, which, near the coal seams, is replaced by shales. A longitudinal section through Hasima, Nakanosima, and Takasima shows (by soundings) great depressions between them, and in the workings of all three these depressions are shown to be due to "faults."

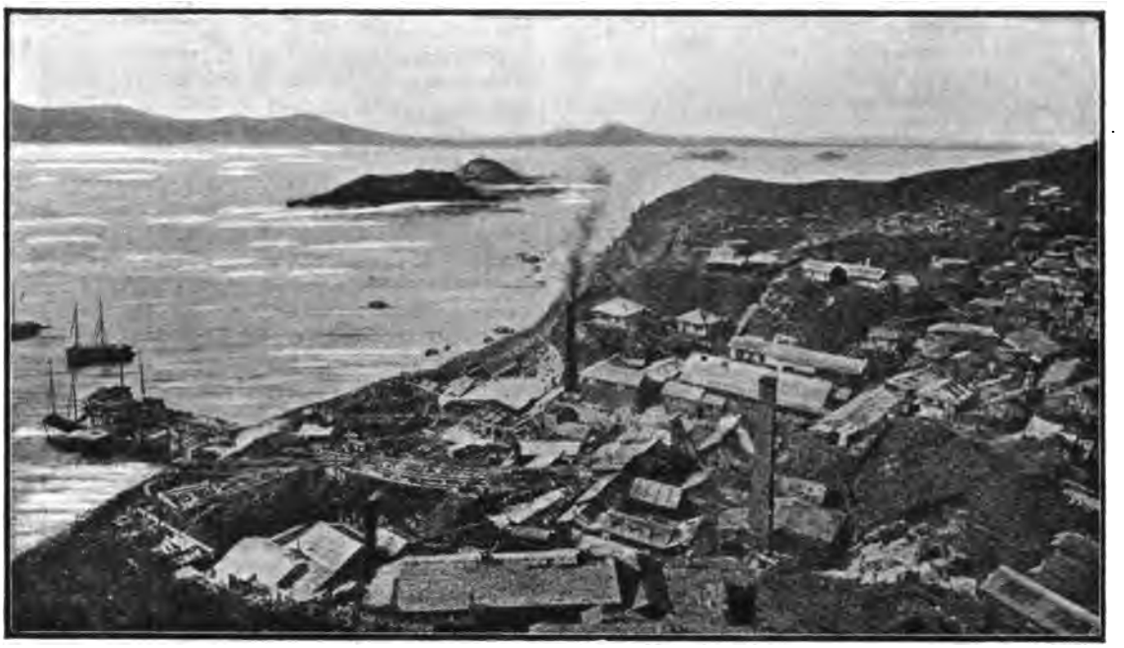


FIGURE 1.—TAKASIMA COAL MINES, NAGASAKI.

occurs, and also one at the south end of Takasima, and, from soundings taken between these two points, it is evident that others exist. The fault at the south end of Takasima is much more extensive than any of the others, the broken portion of the upper seam being found by drills to have been thrown down some 500 ft

FIGURE 2.—TAKASIMA COAL MINES (ANOTHER VIEW).

Between Hasima and Nakanosima the coal seams are broken, and there is now some 20 ft. difference in level. At the north end of Nakanosima another fault

The author examined chiefly the Hasima workings. Here an 8 ft. seam outcropped on the island, and had been worked for some time, but was allowed to fill with

water on account of fire. The seams dip west at an angle of 35 degrees to the horizontal, and are thus rather difficult to work.

Besides this upper seam, coal is being mined from three others; No. 2, of 7 ft. 9 in. thickness, at a depth of 450 ft. from sea level; No. 3, 5 ft. 5 in. thick, at 596 ft., and No. 4, of 9 ft. 7 in. thickness (two seams separated by thin seams of shale), at 626 ft.

No. 2 seam is worked by No. 1 shaft, and Nos. 3 and 4 by No. 2 shaft, the workings, airways, etc., of each seam being kept entirely separate. Each shaft is divided, making a return airway 10 ft. by 5 ft, and a double compartment winding-way 10 ft. by 8 ft. Single decked cages, carrying two trucks, are arranged

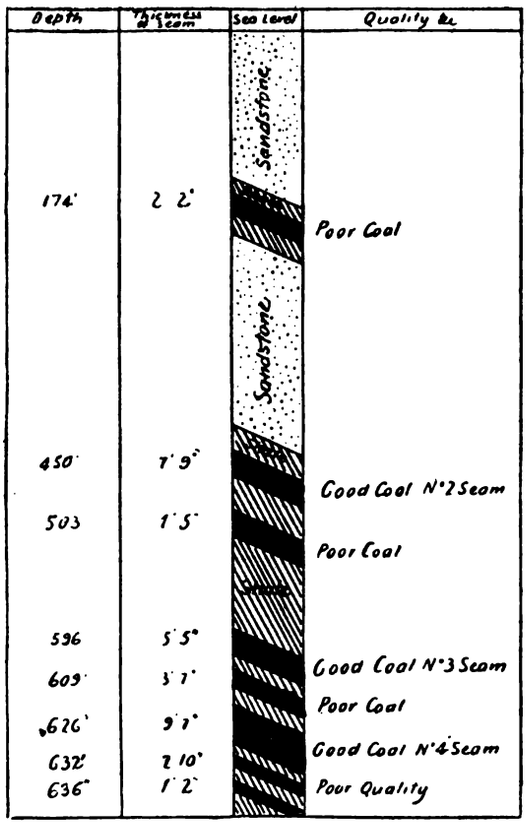


FIGURE 3.—SHOWING SECTION OF SHAFT NO. 2.

in these, are hauled by a powerful single drum-winding engine, and are fitted with safety catches, detaching hook, etc. A section in No. 2 shaft is shown in Fig. 3. It starts from about sea level, so does not include No. 1 seam, which outcrops above it. No. 2 shaft is sunk 700 ft., a short cross cut is put in to the seam, and then No. 1 level is put in along the "strike"; there are twenty-three of these levels, each 120 ft. apart (on the slope). At every 100 ft. along their course these levels are connected by openings, which are practically "winzes," thus leaving blocks of coal about 100 ft. square. These "winzes" are not at right angles to the levels, *i.e.*, not in the direction of the "dip" of the seam. This is done purposely, to avoid having the haulage gradients too steep. The winding engine on the main incline has double drums, and works a double line of rails, hauling 10 trucks, each holding about ½ ton coal. Branches lead off from each level, and everything is hauled to No. 1, and then run to the shaft.

Heavy timbering of all these levels and connections is necessary, as the coal is soft and crumbling, and the roof must not be allowed to subside, on account of the danger of flooding from the ocean. Very little water has to be contended with, but, as the workings are all to the "dip," an excess of pump power is necessary.

The main station is at the bottom of No. 1 shaft, 530 ft. down, and here there are three large Worthington pumps, raising the water in one lift; only one is in use, the others being kept ready for an emergency. From the working faces, *i.e.*, the 23rd level, the water is lifted to the sump at the bottom of the shaft in five stages by five sets of Tangye pumps. All these pumps and the winding engines (underground) are supplied with steam from the surface.

Gas is plentiful in some parts of the mine, and safety lamps are in use. At each of the shafts small ventilating fans are working, connected with the upcast compartment of the shaft.

From the pit heads the coal is loaded direct into sailing junks and taken to Nagasaki, where it is stored, and then lightered to the ships as required. At Takasima the main seam is being worked from its outcrop by an incline, but the available coal is becoming exhausted, and fresh workings must be opened up. A new shaft has, therefore, been commenced on the south-west corner, and is to be sunk 700 ft., so as to pick up the continuation of the seam on the other side of the fault. Altogether on the three islands, Takasima, Nakanosima, and Hasima, 3,000 miners and 2,000 surface hands are employed.

The following is a report on some Japanese coals made to the Mitsui Company:—

KOGAYAMA.—Moderately hard and lustrous, with rectangular clean fracture, powder almost black. Free burning, slightly caking, long flame.

NAMAZUTA.—General character like that of Kogayama. Fracture more even, not quite so hard.

SHINNU.—Moderately hard, conchoidal, or hackly in fracture, lustre resinous or brighter, otherwise like Kogayama.

NAKANOSIMA.—Very soft, lustre resinous, fracture hackly, powder brown. Highly bituminous fat coal, swelling enormously, long flame.

TAKASIMA (No. 1 pit).—In general character like Koyayama.

HYAKUMANSAKI (Takasima).—In general character like Nakanosima.

Variety of Coal.	Sp. Gr.	Moisture.	Vol. Mat.	Ash.	Coke.	Sulphur.
1. Kogayama... ...	1·285	4 3	34·2	3·3	58·5	0·75
2. Namazuta ...	1 260	3 1	35·7	4·75	56·5	0·61
3. Shinnu	1·290	3·4	37 1	6·25	53·3	0·48
4. Nakanosima ...	1·236	1·6	37·7	3·35	57·3	0·31
5. Takasima	1·252	1·8	35·5	6 35	56·4	0·72
6. Hyakumansaki ...	1·258	1·7	39·0	7·95	51·4	0·81
Takasima New 8ft. seam	—	1·22	39·88	3·40	55 50	0·25

Coals Nos. 1, 2, and 3 are of very good quality,

giving a long flame and a solid free burning body on the bars, and, having very little sulphur and not much ash, they will be excellent steam coals, only requiring a little care in stoking and a sufficient flame space in the boilers in order to give but little smoke. They will also be excellent for gas making, and particularly so because of the little sulphur they contain. They can also be made into a compact coke, which, however, may be deficient in hardness.

Coals Nos. 4, 5, and 6 also have the advantage of having very little sulphur and not much ash, and of yielding a long, rich flame; but they soften and swell, and cake so as to somewhat impede the draught through the bars. They are also very soft coals to handle, but, with management, they can prove good serviceable steam coals. They are also good gas coals, but their coke is soft and spongy. A mixture of the two classes of coals might furnish excellent coke. All the above coals have high heating power.

MR. K. NABESHIMA, First Secretary of the Japanese Legation, is, we are sorry to announce, indisposed, and is resting at Eastbourne.

MR. G. WATANABE, director and manager of Mitsui and Co.'s London establishment, 34, Lime Street, E.C., together with his family, will leave for Japan during October.

BRITISH INDUSTRIES.—I.

THE "CALEDONIA" LOCOMOTIVE WORKS.

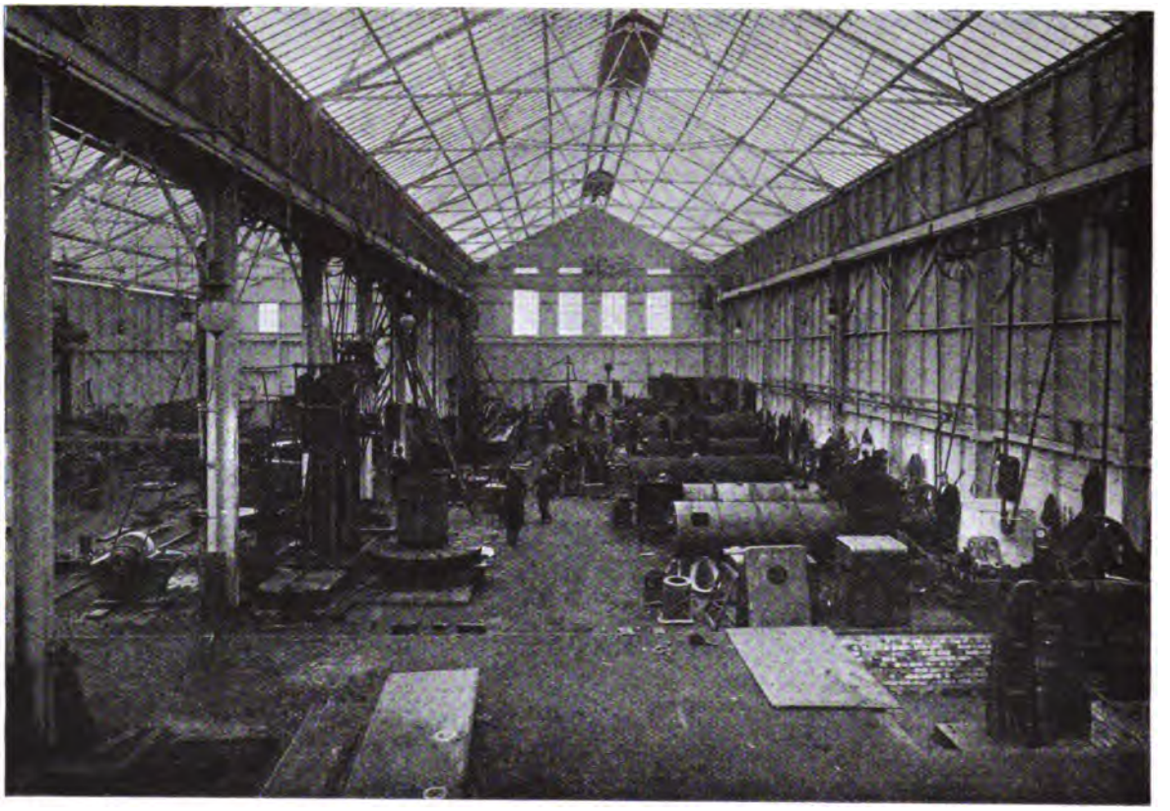
Continued from page 32.

OWING, unfortunately, to a delay in procuring the photographs, illustrations of two very important—perhaps the most important—sections of Messrs. Barclay's works were omitted from our last issue. These include the erecting and boiler shops. The new boiler shop, a large and well-lighted building, is 200 ft. in length, having a double span—one of 52½ ft., and the other 40 ft. In the 40-ft. section is situated the boiler smithy for dealing with light plate and tank work. Two powerful electric cranes, with lifting capacities of 5 and 12 tons respectively, are fitted in this shop, which is for the main part given over to the manufacture of locomotive boilers or loco-type boilers. As the firm make a speciality of this type, they are in a position to turn out the highest grade boiler of this description. A very large number of up-to-date appliances in the way of pneumatic tools, including both the Taite Howard and "Little Giant" patterns, and other forms of labour-saving devices, are used in this department, and in the many other branches of the "Caledonia" works.

THE NEW ERECTING SHOPS AT MESSRS. ANDREW BARCLAY'S WORKS, KILMARNOCK.

Although a very large portion of Messrs. Barclay's works are given over to the building of locomotives, the firm nevertheless turn out a very large variety of other

plant, including pumping, winding, and hauling engines for all classes of work, triple expansion and compound engines, Barclay's patent valve gear, air compressing, blowing and exhausting engines, steam excavators, boilers, injectors, cocks, and mountings, valves, gauges, railway equipment, colliery plant, engineering brasswork, silverine bronze, rolling mill engines, heavy castings, etc. The firm have been fully alive to the rapid strides which have been made in the adoption of electricity for power purposes, and have for some considerable time supplied a type of three-throw pump, of very neat design and workmanship, so arranged that it can be driven from electric motors either direct through gearing or by belt. These pumps are made in convenient sizes, with rams ranging from 2 in. to 15 in. in diameter, with short strokes, and capable of raising from 8 gallons to 1,600 gallons of water per minute. A great advantage claimed for these pumps is that the crossheads have guides both top and bottom—adjustable to wear—admitting of the shaft being worked in either direction, allowing for the pumps to be shifted, as is frequently required, from one place or site to another. Messrs. Barclay also supply a special form of "indestructible" mining fan, capable in all capacities from 40,000 to 400,000 cubic feet per minute.



NEW BOILER SHOP AT MESSRS. BARCLAY'S WORKS, KILMARNOCK.

It is reported that owing to frost the tea-planters in Japan have suffered considerable loss.

MITSUI'S BANK.

Object to a Double Business Tax.

The Mitsui Bank a few months ago made an appeal to the Wardman of Nippon-bashi, Tokio, to the effect that the business tax should be levied only on business concerns in the city, but the Wardman rendered judgment against the Bank. The Mitsui Bank entered an appeal to the City Council, which again resulted in a verdict against the Bank, which, throughout the proceedings, was represented by Mr. Mitsui Takayasu.

A contemporary suggests that inducements should be offered for the immigration of Japanese into Argentina to engage in the cultivation of rice, silk, and cotton, for which some parts of the Republic are especially adapted.

PASSENGER LIST.

Per N.Y.K. Steamer *Kanagawa Maru*, for Kobe, Mr. T. Minobe, Mrs. Manheimer. For Yokohama, Baron and Baroness Shibusawa, Miss A. Mishigawa, Mr. M. Ichihara, Mr. G. Hagiwara, Mr. C. Yasoshima, Mr. S. Gotto, Mr. S. Iwaya, Mr. Y. Osaka, Mr. S. Yoshida, Mr. B. Ishikawa, Mr. S. Tashiro, Mr. Y. Suzuki, Mr. Matsumura, Mr. B. Kubota.

Per P. and O. Steamer *Australia*, for Yokohoma, Mr. K. Johnston.

Per Messageries Maritimes Steamer *Annam*, for Yokohama, Mr. and Mrs. Martin, Mr. and Mrs. Coinbarien, Mr. A. Kahn, Mr. Schlatter, Mr. Chavanes.

THE RAILWAYS OF KOREA.

THE SEOUL-CHEMULPO.

THE Seoul-Chemulpo Railway, which holds the proud distinction of being the pioneer railway of Korea, is a comparatively short line, being only some twenty-four miles in length, extending from the capital to the seaport town of Chemulpo. The railway—owned by a Japanese company—was opened for traffic in 1900, and the reports have demonstrated how ready are the natives to avail themselves of the modern means of transportation. The results of the past year's working show that the number of passengers carried amounted to 354,623, as compared with 215,722 during the previous twelve months, the goods traffic showing an increase of 18,090 tons. This large increase in the goods traffic is partly attributable to the quantities of Saigon rice sent up to Seoul by the railway, and to the carrying of materials for the construction of the Seoul-Fusan Railway.

The net profits of the year's working are stated to be 95,379 yen, equal to £9,736 12s. 9d. The capital of the company is 2,500,000 yen (£250,000), 700,000 yen of which is subscribed capital, the remainder being a loan, free of interest, from the Japanese Government, to be repaid out of surplus profits remaining after the shareholders have received a dividend of 5 per cent. The profits for the year would provide for a 4 per cent. dividend on the total capital, or, after payment of 5 per cent. to the shareholders, would leave a sum of 60,000 yen (£6,000) available towards the redemption of the loan; but in this estimate there is apparently no provision made for depreciation of rolling stock and wear and tear of the line.

The company have recently purchased two new locomotives from the Baldwin Locomotive Works, of Philadelphia. These engines are much more powerful than the four previously imported. The following tables give the general statistics for the year 1901:—

ROLLING STOCK.	No.
Passenger cars	13
Goods trucks	38
Engines	6

RECEIPTS.	
Goods (28,975 tons)	£8,213
Passengers (354,623)	10,982
Luggage	811
Miscellaneous	961
Total	£20,967

EXPENDITURE.	
Traffic	£2,471
Maintenance	2,721
Rolling stock	3,689
General working expenses	2,349
Total	£11,230

SEOUL-FUSAN RAILWAY.

The project for the construction of a broad-gauge railway from Seoul to Fusan has at length taken definite shape. Early in the year the Japanese Government guaranteed 6 per cent. interest on the subscribed capital for a period of fifteen years. A company was thereupon formed in Japan to carry out the enterprise, and on August 20th and September 21st work was begun at the Seoul and Fusan ends of the line respectively.

The capital of the company is 25,000,000 yen (£2,500,000). The 400,000 shares offered for subscription have all been taken up, and there is little doubt that the remaining 100,000 shares when issued, will be eagerly subscribed for, the shares now standing at par in the Stock Exchange quotations. At the present only Japanese and Koreans are eligible as shareholders.

The country through which the line will pass is immensely difficult, and, though only 285 miles long, will involve the construction of nearly eight miles of tunnelling, four miles of bridging, deep cuttings, and heavy embankments. As Korean labourers receive little over sixpence a day, the heavy character of the work can be better gauged from the estimated cost of £9,000 per mile. In view of the recent controversy as to the relative merits and cost of British and American locomotives, it is interesting to note that the engines for the Seoul-Fusan Railway have been ordered from England.

SEOUL-WIJU RAILWAY.

The survey of the Seoul-Wiju Railroad has been completed by French engineers, but no construction works have yet been begun. The Korean Government having no available funds, there is some talk of the line being taken over by a Japanese syndicate. It is satisfactory to note that a British firm has the contract for the supply of all the rails required for the Korean railways. Although of British manufacture, they are of American standard, and are not only delivered more quickly, but cost less than those in the lowest American tender, which proves that, after all, British manufacturers can hold their own when there is a fair field and no favour.

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THE NEW CUSTOMS RATES.

The following are the new Customs rates which came in operation on the 1st of last month:—

Specially opening the Customs-house and a branch—

	Yen.
From sunrise to sunset, for every hour or fraction of an hour	10
From sunset to midnight, for every hour or fraction of an hour	20
From midnight to sunrise, for every hour or fraction of an hour	30

At a branch office the amount of the fee may be reduced by one-half, according to the locality.

Permitting loading and discharging, transmission, delivery, and dispatch of goods (without opening the Customs-house)—

	Yen.
From sunrise to sunset, for every hour or fraction of an hour	2
From sunset to midnight, for every hour or fraction of an hour	4
From midnight to sunrise, for every hour or fraction of an hour	6

Permission for inspection of goods outside the compound of the Customs-house or branch office—

	Yen.
For each hour of fraction of an hour required for the inspection of goods	3

Travelling expenses extra.

Fees for vessels engaged in foreign trade to enter unopen ports—

	Yen.
One entry	30

Fees charged according to Article 76 of the Regulations relating to the Operation of the Customs Law—

	Yen.
1. Certificate	2
2. Permitting daily report of export and import of goods—per month	30
3. Other reports relating to ships and goods—for each copy	0.50

Baron Iwasaki, of Japan, and suite, who have been holiday-making in England, left London on the 17th inst. for America. The personnel of the Japanese Legation were present at Euston Station, together with many prominent Japanese resident in London, to witness the departure.

The second son of the Crown Prince has been named Atsu-no-Miya.

JAPANESE EXHIBITION AT BIRMINGHAM.

A PORTION OF THE PROFITS TO GO TO CHARITABLE INSTITUTIONS.

Following close upon the heels of the recent Japanese Exhibition held at Whitechapel is the announcement made by the "United Service Gazette" that the proprietors are interesting themselves in a Japanese Art Exhibition, to be held in Bingley Hall, Birmingham, from September 22nd to November 1st.

The object of the Exhibition, according to the circular which has been sent to members of the Japan Society, is to demonstrate to the working classes of Birmingham and the Midland counties that "England's alliance with Japan is not merely for offensive and defensive purposes, but that it should tend to a large increase in our commercial relations with Japan—our working classes beautifying their homes with the very cheap, but truly artistic, manufactures of our ally, who in turn buys from us our staple manufactures."

The circular goes on to say that a portion of the profits will be placed at the disposal of the Japanese Minister in London for such Japanese charitable institutions as he may decide upon.

The Hokaido Railway and Colliery Company have decided to increase its capital to the extent of £600,000 for the purposes of providing additional rolling stock and carrying out many improvements necessary for the development of mines, the manufacture of coke, etc. Funds being required for other enterprises, the directors have favoured the plan of issuing debentures to the amount of £730,000. These funds will be employed in building the Mukawa and Rumoye Railways, in opening the mines situated in the districts through which the railways will run, and in constructing new steamers. Two large steamers specially adapted for coal-carrying purposes between Hokaido to Hong-Kong and Singapore are being built.

The Commercial Treaty between Korea and Denmark has been signed.

Mr. M. Arakawa, for many years Japanese Consul-General in London, will sail for Japan towards the end of the month on "leave of absence." Mr. Ariyoshi succeeds Mr. Arakawa as Consul-General.

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STOCK AND SHARE LIST.

	Shares.	Amount Paid.	Latest Closing Prices.
GOVERNMENT STOCK.			
Chinese Imperial Loan 7 p e Cent. Silver, 1894 ...	£98	—	97 to 98
Chinese Imperial Loan 6 per Cent. Gold, 1895	96½	—	104½ to 105½
Chinese Chartered Bank Loan 6 per Cent. Gold, 1895	106	—	104½ to 105½
Chinese Franco-Russian 4 per Cent. 1895	96½	—	102.70 fr.
Chinese Hong-Kong Bank 5 per Cent. Gold, 1896 ...	98¾	—	103 to 103½
Chinese Hong-Kong Bank 4½ per Cent. Gold, 1898...	90	—	92¼ to 92¾
Chinese Imperial Railway 5 per Cent. Gold, 1899 ...	97	—	97 to 98
Chinese Peking-Hankow Railway 5 per Cent. Gold, 1898	500 fr.	—	490 fr.
Japanese 5 per Cent. Consolidated Internal Silver Loan	—	—	46 to 48
Japanese 5 per Cent. War Loan Bonds	—	—	105¼ to 105¾
Japanese 4 per Cent. Imperial Government Loan, 1899	90	—	86¼ to 86¾
Hong-Kong 3½ per Cent. Inscribed Stock	—	—	101 to 102
BANKS.			
Banque de l'Indo-Chine ...	500 fr.	125 fr.	1,010 fr.
Chartered of India, Australia, and China	£20	£20	42½ to 43½
Hong-Kong and Shanghai	28⅛	28⅛	62½ to 63½
Mercantile Bank of India (Ltd.), "A" Shares ...	25	12½	10½ to 11
Mercantile Bank of India (Ltd.), "B" Shares ...	25	12½	7 to 8
National Bank of China ...		S	2 to 2¼
CABLE COMPANIES.			
Eastern Extension Australasia and China	10	10	12 to 12¾
Eastern Extension Australasia and China 4 per Cent. Mort. Deb. Stock...	Stk.	100	107 to 110
Eastern Telegraph ...	Stk.	100	124 to 129
Eastern Telegraph Pref. ...	Stk.	All	90 to 93
Eastern Telegraph 4 per Cent. Mort. Deb. Stock...	Stk.	100	106 to 111
Great Northern	10	10	26 to 27
Telegraph Construction Co.	12	12	38 to 41
Telegraph Construction Co. 4 per Cent. Deb. Bonds...	100	100	102 to 105
MISCELLANEOUS.			
China Mutual Steam Navigation Co. Pref.	10	10	11½ to 12½
China Mutual Steam Navigation Co. Ord.	10	£5	4 to 5
China Mutual Steam Navigation Co. Bonus ...	£7 10s.	£7 10s.	6 to 7
Chinese Engineering and Mining Co.	£1	£1	22s. to 24s.
Eastern Mortgage and Agency Co. Ord.	10	10	3 to 4
Eastern Mortgage Founders	1	1	—
Eastern Mortgage 4½ per Cent. Deb. Stock... ..	Stk.	100	80 to 82
Hong-Kong and China Gas	10	10	13 to 15
Indo-China Steam Navigation Co.	10	10	7 to 9
Labuan and Borneo Co. ...	£1	1	—
Manila Railway Co. 7 per Cent., Cum. Pref. ...	10	10	1¾ to 2
Manila Railway Co. 6 per Cent. Debs.	100	100	53 to 55
Manila Railway Co. 6 per Cent. Prior Lien Mt. Bds. A	100	100	108 to 111
Manila Railway Co. 6 per Cent. Prior Lien Mt. Bds. B	100	100	102 to 104
Manila Railway Co. 1st Mortgage Certificates ...	100	100	100 to 102
Messageries Maritimes of France	500 fr.	500	304 fr.
North Borneo Trading Co. Ord.	10s.	9s.	6d. to 1s.
Pahang Corporation ...	1	10s.	10s. to 15s.
Pahang Corporation 10 per Cent. Pref.	1	£1	1⅜ to 1½
Pahang Kabang	1	19s. 6d.	1s. 9d. to 2s. 3d.
Pekin Syndicate, Ord. ...	1	1	6 to 7
Pekin Syndicate, Shansi Shares	1	10s.	½ to ¼
P. and O. Steam, 5 per Cent. Pref.	Stk.	100	132 to 135
P. and O. Steam, Def. ...	Stk.	100	202 to 207
P. and O. Steam, 3½ per Cent. Deb.	Stk.	All	103 to 105
P. and O. Steam, 3½ per Cent. 2nd Deb.	Stk.	75	74 to 76
Shell Transport and Trading Co.	1	1	1⅛ to 1⅜
Shell Transport and Trading Co. 5 per Cent. Prefs.	10	10	9¼ to 9¾
Siam Exploring Co. ...	1	—	3s. to 5s.
Suez Canal	20	20	152 to 157

SHIPPING NEWS.

SAILING LISTS.

P. and O.: Outwards.

	Leaves London.	For.	Arrives Yokohama.
s.s. Shanghai ...	Sept. 20	Malta, China, and Japan	Nov. 19
s.s. Malacca ...	Oct. 4	,, ,, ,,	Dec. 3
s.s. Bombay ...	Oct. 18	,, ,, ,,	Dec. 17
s.s. Canton ...	Nov. 1	,, ,, ,,	...
s.s. Ceylon ...	Nov. 29	,, ,, ,,	...

P. and O.: Homewards.

	Leaves Yokohama.	Arrives Plymouth.	Arrives London.
s.s. Canton	...	Sept. 28	Sept. 29
s.s. Banca	Aug. 18	Oct. 11	Oct. 12
s.s. Ceylon	Sept. 1	Oct. 25	Oct. 26

Nippon Yusen Kaisha: Outwards.

	Leaves London.	Leaves Middlesbrough.	Leaves Antwerp.	Arrives Kobé.	Arrives Yokohama.
s.s. Sado Maru ...	Sept. 26	Sept. 13	Sept. 21	Nov. 12	Nov. 18
s.s. Kawachi Maru	Oct. 10	Sept. 27	Oct. 5	Nov. 26	Dec. 2
s.s. Bingo Maru ...	Oct. 24	Oct. 11	Oct. 19	Dec. 10	Dec. 16
s.s. Tamba Maru	Nov. 7	Oct. 25	Nov. 2	Dec. 24	Dec. 30
s.s. Sanuki Maru	Nov. 21	Nov. 8	Nov. 16	Jan. 7	Jan. 13
s.s. Hakata Maru	Dec. 5	Nov. 22	Nov. 30	Jan. 21	Jan. 27
s.s. Awa Maru ...	Dec. 19	Dec. 6	Dec. 14	Feb. 4	Feb. 10
s.s. Kamakura Maru	Jan. 2	Dec. 20	Dec. 28	Feb. 18	Feb. 24

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THE HOUSE TAX QUESTION.

To the outsider whose pocket is quite safe from a "touch," and who therefore has neither to gain nor to lose whichever way the Commission on House Tax decides, it looks as though this tax were something that all Japanese house-owners must pay, and are paying, with as little grumbling as Japanese ever give way to at the coming of the tax-collector, but which foreign residents holding land in Japan had been seeking to evade on a technicality. The outsider does not see why a foreigner should not pay a house tax if the native has to. The foreign house-owner and the native house-owner may be neighbours living side by side, possibly in exactly the same sort of house. Each man, since the abolition of extra-territoriality, is subject to the laws of the land. Why should the fact that one is a foreigner exempt the house he owns from the tax similar to the one the native owner must pay? Is the foreigner seeking to take advantage of a legal quibble over the meaning of a word in the treaty that came into effect in the middle of the year 1899, and did away with extra-territoriality. Taxes are a thing that most persons will willingly avoid—will even take advantage of fortuitous circumstances to avoid. The ambiguity of the words "jisho" and "fudosan" in the treaty may be the fortuitous circumstance which foreign residents in Japan have been trying to take advantage of.

To the outsider it seems unfortunate that there should have been this somewhat violent disagreement over the house tax between Japanese and foreigners. He would much prefer to hear of occurrences that make for harmony rather than those that make for discord. There has been an ample sufficiency of discord in the Settlements already. He would like to see the idea of fair play inculcated into the native mind by conspicuous example. He knows that the Japanese have yet much to learn about commercial morality, and he believes it would be good policy to help them learn this. He knows also that there are to be found abroad altogether too many instances of commercial immorality on a great scale, and that foreigners, therefore, should not condemn Japan too hastily. Because of these sad instances abroad, it would give him satisfaction to see the members of the foreign communities in Yokohama, Kobé, Nagasaki, etc., do all in their power towards setting the best of examples to Japan.

It is not, however, all foreigners owning property in Japan that have been protesting against the house tax. The protesting comes chiefly from residents in the old Settlements, who have lived for years under consular jurisdiction, enjoying police protection and other of the luxuries of civilisation supplied by the Japanese Government—such, for instance, as lighthouses, which helped

to save their ships from wreck—without contributing a penny towards the maintenance of these luxuries. This absence of taxation was so easy and pleasant for the Settlement folk that the blessings of the new treaty did not appeal to them. They liked to have Japan take care of them, but they did not particularly yearn to pay for it. There is hardly a single instance of a foreign resident in Yokohama demanding that the Japanese Government should allow him to pay something towards police protection and towards lights.

The house tax case, for the Japanese, has been put before the British public with much ingenuity and ability, in the London "Times," by Captain F. Brinkley, R.A., its Tokio correspondent. Captain Brinkley, as editor and proprietor of the "Japan Mail" (Yokohama) for over a score of years, is a man of much experience in matters relating to Japanese politics and statecraft, and is more often than not on the Japanese side. He believes that foreign and domestic owners of houses in Japan should pay alike.

The other side is put as well as can be by the editor of the "Kobé Chronicle." He says that the "various treaties provided that when the Settlements were incorporated with the Japanese commune, as agreed, the existing property that was held in the Settlements of Kobé and Osaka, for instance, should be confirmed, and no conditions whatsoever other than those contained in such existing leases should be imposed in respect to such property. The French treaty specifically provided that such property should not be liable 'to any imposts, taxes, charges, contributions, or conditions whatsoever other than those expressly laid down in the leases in question.'"

The editor states also that a tax on land of one bu (say 6d.) a tsubo (36 square feet) was the tax appropriated for all municipal purposes, and that to collect a house tax after having collected this bu would, in the opinion of many foreign house-owners, be equivalent to taxing the same property twice over.

The words "zaisan," "fudosan," and "jisho" have come up for definition and discussion frequently in the controversy between the Japanese Government and the foreign residents. "Jisho" means a plot of land or a farm, "fudosan" is a legal term meaning immovable, and "zaisan" means simply property. The philological attainments of the foreign residents have been worked hard over these three words.

The Japanese Government has held that the land was surely fudosan, but the buildings thereon were not. It would tax the land separately, therefore, and then the house as well; but the foreigner said "No"—the house was fudosan, too, and was part and parcel of the land under the term "jisho," which means the ground and whatever may be on it inclusive.

Soon, it is hoped, the Commission will prove its ability both in chilology and in law, and the house tax question be at rest. C. L. B.

THE Matsumoto Tanko Kwaisha is the name of a new colliery company recently established by Messrs. J. Matsumoto, R. Imanishi, and S. Inouye, in partnership, with a capital of 200,000 yen. The mine belonging to the company is located at Muchihara, Matsuura district, Hizen Province.

CONGRESS OF ORIENTALISTS.

"Wise Men from the East" Hold Their Triennial Meeting at Hamburg.

[BY OUR SPECIAL COMMISSIONER.]

THE thirteenth International Congress of Orientalists, which was held at Hamburg from the 4th to the 7th of September, was very largely attended by men of science from all parts of the world, many of whom were accompanied by their families. At the close of the labours of the numerous Sections it was generally conceded that much useful work had been accomplished, and that the Congress was an unqualified success.

These gatherings of "Wise Men from the East" occur triennially, and their chief utility lies, not so much in the amount of work done at the meetings of the various Sections (for the papers read, and the discussions thereon, contain but few startling discoveries that have not already been widely made known in scientific periodicals), but rather in the opportunity afforded to those labouring in the field of Oriental research to become personally acquainted, to compare notes with each other, and to devise plans for future investigations. In this way, much overlapping of labour is prevented, and the comparison of research is facilitated.

Three years ago the Congress met at Rome, and it has been decided that the next gathering, in 1905, will, at the invitation of the Government of Algeria, be held in Algiers. Tokio had likewise sent an invitation, which was presented by the Japanese Delegates at the last meeting of the Congress; but, after consideration, it was felt it would be better to wait until Japan and Europe were brought nearer by the much-talked-of improvements in communication—principally by the overland route over the still very shaky Siberian line. Should this much-desired shortening of transit between the Occident and the Orient be effected within the next few years, it is not at all improbable that the fifteenth Congress of Orientalists will be held in Tokio in 1908.

Entertained Ashore and Afloat.

The authorities of the "Free and Hansa City" of Hamburg (so admirably governed and aggressively prosperous) showed the greatest hospitality to the members of the Congress. Almost daily the labours of the Sections were followed by entertainments ashore and afloat, which, with clear-headed foresight, had been arranged and carried out with a view of giving the Orientalists an insight into the wonderfully well-organised commerce of Germany's greatest port.

The President of the Congress was the Rev. Dr. Behrmann, one of the most prominent clergymen in Hamburg, and an ardent Orientalist. As has been intimated, the Congress was, for the greater facilitation of labour, divided into Sections; and of these none showed greater activity than Section 4, which was devoted to the study of Central Asia and the Far East—subjects which the light of modern research has shown to be inseparably connected. Those who are interested in Japan will be gratified to learn that in this Section Japanese studies were ably represented, the Imperial Japanese Government having sent three Delegates to the Congress—viz., Dr. S. Sawayanagi, Director of

Primary and Secondary Instruction, Dr. S. Mikami, Professor of Japanese History in the University of Tokio, and Professor Dr. K. Shiratori, the eminent Japanese philologist, who has recently been studying in Budapest the remarkable connection between the spirit of the Japanese and the Magyar languages.

Delegates from Various Climes.

The Japan Society in London was represented by its Delegate to this and many former Congresses of Orientalists, Mr. Arthur Diósy, F.R.G.S., the Chairman of its Council, who neglects no opportunity of serving the interests of the Society he founded, and which has achieved such a remarkable measure of success. At this, as at all the former Congresses since its establishment, the Japan Society in London was continually well to the fore, and a considerable number of its members, from various parts of the world—some from Japan, some from Rome, others from America, and the majority, of course, from England—were present to take part in the labours of Section 4. Of the papers read before that Section, some of the most notable were Professor Mikami's, which dealt with the excellent work now being accomplished by the Historiographical Institute of the Imperial University of Tokio; Dr. Sawayanagi's report on the present state of Oriental research in Japan; and a delightful paper by Miss E. R. Scidmore, M.J.S., of Washington, D.C., U.S.A., and of Yokohama (the Delegate of the American Geographical Society), on "Ni-ju-roku-ya," the strange Buddhist moon-gazing festival (held in Japan on the 26th night of the eighth moon), so little known even to old residents in Japan.

Interesting Papers Read.

If space permitted, it would be interesting to quote largely from the many instructive papers read before the Congress. As it is, only mere mention can be made. Professor Shiratori read a paper on the "Wu-Sun," an ancient tribe of Northern Central Asia, mentioned by early Chinese chroniclers; Dr. Nachod, the earnest investigator who is preparing, with true German thoroughness, a great "History of Japan," gave an absorbing account of various rare maps, documents, and pictures illustrating the early relations of Japan with the Portuguese, the Spaniards, and the Papal See; Dr. Franke, of the German Diplomatic Service in China, gave an important account of the literature of the Chinese Reform Movement at the end of the nineteenth century; and Professor Dr. G. Bálint, the remarkable linguist of the University of Koloszvár (Hungary), delighted his hearers with a wonderfully erudite address on various philological points connecting the Japanese language with that of the typical Turanian tribe now settled in the Northern Caucasus, the Adighe-Kabard Circassians.

At the banquet in the great hall of the Zoological Gardens, that brought the successful Hamburg Congress to a close, the table that attracted most attention, by virtue of its decorations, was that reserved for members of the Japan Society in London and their friends. Here the Japanese flag, reproduced on cardboard, was planted in the centre of the table, and real Japanese *saké*, presented for the occasion by Herr G. Jacoby, M.J.S., of Berlin, helped to keep the company in the best of good humours. Needless to say that at this table the "Emperor of Japan" was a toast highly honoured.

Some of Those Present.

Among the members of the Japan Society in London present at the Congress was Count H. Coudenhove, LL.D., Ph.D., formerly Imperial and Royal Austro-Hungarian *Chargé d'Affaires* in Japan, whose Countess is a Japanese lady; also Professors Anesaki and Omura, Drs. Murakami, Nakamura, Pfungst (Frankfort), Müller (Berlin), Professor Kunos (Budapest), Mr. Hara and other Japanese scientists; Mr. and Mrs. Perowne, Mr. E. N. Adler, Mr. De Stoppelaar (Leyden), Herr von Wenckstern, of London, and Mr. H. Cox, F.R.G.S., of Radipole Manor, Weymouth.

The President of Section 4 was the learned Sinologist, Professor Hirth, of Munich (who has since proceeded to New York to fill the Chair of Chinese in Columbia College), who was ably assisted by those other eminent Chinese scholars, Professor Giles, of Cambridge, and Professor Douglas, of the British Museum. Professor Cordier, the eminent French Sinologist, also attended; but the absence of Professor Schlegel, of Leyden, was much felt, his genial presence having brightened all the former Congresses, and the cause of his absence, the calamity of blindness which has overtaken him, caused universal sympathy. That ardent student of Chinese, Monsieur Martin-Fortris, of London and Paris, was also an active participator in the Congress, at which Korean studies were represented by Monsieur Chevalier, of Paris; while that zealous corresponding member of the Japan Society in London, Signor Blumenstihl, travelled all the way from Rome to attend.

The various Delegates of British Universities and learned societies, especially the Japan Society's Delegate, loudly praised the great courtesy and hospitality extended to them by the British Consul-General in Hamburg, Sir William Ward, and by Lady Ward.

T. J. L.

A Bill has been passed by the Imperial Diet providing for the improvement of Otaru Harbour, which promises to become very important when the Russian system of Trans-Asian railways is completed. Extensive works of dredging, land reclamation, and construction of docks and piers have been commenced, and will be completed within the next four years. The construction of a breakwater has also been commenced, involving an outlay of £218,000, the payment of which will be extended over a period of ten years. The Otaru Harbour ranks fourth in Japan, and is capable of accommodating simultaneously twenty-eight vessels of from 3,000 to 5,000 tons.

The Russo-Japanese Society, reference to which has already been made in our columns, have decided to establish a mill for weaving and finishing Japanese raw silk at Slonima. Efforts will also be made to encourage the exportation from Russia to Japan of petroleum, sugar, wheat, and manufactured goods, and the importation into Russia of silk, tea, porcelain, crockery ware, and other artistic and industrial products of Japan.

TRADE OF NAGASAKI FOR 1901.

THE report of Mr. Consul Forster dealing with the trade of Nagasaki for the year 1901 shows that the value of the foreign trade amounted to £1,901,620, consisting of imports £1,405,928, and exports £495,692, showing a decrease as compared with the previous twelve months in imports of £134,988, and in exports of £198,219, or a total decrease of £333,207.

The figures for the last five years are:—

Years.	Imports.	Exports.	Total.
	£	£	£
1897	1,406,624	562,860	1,969,484
1898	2,010,903	672,451	2,683,354
1899	1,137,975	633,710	1,771,685
1900	1,540,916	693,911	2,234,827
1901	1,405,928	495,692	1,901,620
Total (five years) ...	7,502,346	3,058,624	10,560,970
Average (five years)...	1,500,469	611,725	2,112,194

While the value of the total trade for 1901 shows a decrease of £333,207, it decreased only to the extent of £210,574 as compared with the average total trade for the past five years, the exports and imports showing a decrease on the average for the same period of £116,033 and £94,541 respectively.

The value of the foreign trade at the ports of Karatsu, Kuchinotsu, and Hakata for the same period amounted to £575,108, consisting of imports £54,986, and exports £520,122; as compared with those of the preceding year, a decrease in imports of £28,838, an increase in exports of £30,192, an increase in the total trade of £2,354. These figures, with those for Nagasaki, show that the whole foreign trade of the southern district of Japan during 1901, as compared with 1900, was: 1901—Imports, £1,460,914; exports, £1,015,814; total, £2,476,728. 1900—Imports, £1,624,740; exports, £1,183,841; total, £2,808,581.

The trade of Moji and Shimonoseki are not included in this report, a separate Consulate having been established at the latter port in September last, the report of which was given in our August issue.

Imports.

The import of coal shows a decrease of 33,041 tons, or £66,794 in value. Of the total import of coal, amounting to £119,288, the whole came from the United Kingdom mines, with the exception of a small portion (£8,200) from the United States. Coal is imported into Nagasaki solely for sale to foreign men-of-war and merchant vessels. An explanation of the smaller import in 1901 as compared with the previous year may be found in the less frequent visits of men-of-war, owing to the state of affairs in China.

A decrease occurred both in quantity and value in the import of raw cotton. The whole import was divided as follows: 1899—British India, £102,118; China, £45,382; United States, £28,461; total, £175,961. 1900—British India, £8,980; China, £48,904; United States, £42,168; total, £100,052. 1901—British India, £5,860; China, £47,567; United States, £40; total, £53,467.

From these figures it will be seen that the import of raw cotton has dropped to less than a fifth of what it was in 1899, the heaviest loss falling on British India. The cause of the decrease may be found in the fact that the mills draw their supplies from Kobé instead of importing direct. A small quantity from the United States finds its way to Nagasaki by re-importation from other ports.

Under the head of dyes and paints, paints in oil were imported to a value of £3,778, and paint for ships' bottoms £4,490, the entire supply being drawn from the United Kingdom. Oxide of cobalt, lead of various colours, and varnish form the remainder of the total under this head. Flour was imported to a value of £14,774, exclusively from the United States. Machinery showed an aggregate increase of £15,371 over 1900, the preponderance of British trade being most marked in this item of the table. Cranes and drilling machinery were imported from the United Kingdom to the amount of £12,314 and £4,052 respectively, no other country sharing in the import of these articles. Miscellaneous machinery.—The share of the United Kingdom for this item was £36,549, the figures for Germany and the United States being £1,030 and £2,107 respectively.

The total import of metals showed a reduction in value of £94,389 as compared with 1900, the decrease being most marked in the items of manufactured iron and rails. The cause of the falling-off is traceable to the fact that imports in 1900 were in excess of requirements, and also that large stocks were held in Kobé and Osaka, which could be purchased at prices below those ruling for direct imports. The entire trade in metals is practically in the hands of British firms, although Germany and Belgium have a small share. The competition of the United States, which at one time appeared to be assuming formidable proportions, has disappeared. Exception must, however, be made in the case of iron nails, in which the United States have a monopoly.

The following table shows the share of the United Kingdom in the total import of some of the principal articles in the metal trade:—

Articles.	Total.	From the United Kingdom.
Iron—	£	£
Pig	16,828	16,398
Bar and rod	18,768	11,637
Plate and sheet	38,924	36,238
All other manufactured ..	16,065	15,618
Pipes and tubes	14,058	14,058
Screws, bolts and nuts ...	8,988	8,988
Anchors	6,935	6,835
Steel, Bar and rod	4,950	4,950
Wire rope	7,846	7,540
Brass tubes	2,460	2,417
Copper—		
Bar and rod	2,372	2,372
Tubes	7,148	6,657

The unique position of the United Kingdom as regards the metal trade is clearly shown in the foregoing table,

but it is to be regretted that British manufacturers apparently still fail to grasp the importance of supplying an article of uniform good quality and in accordance with the specifications of the purchaser. The superiority of British manufactured goods is generally admitted by Japanese purchasers, and producers have only themselves to blame if orders in the future are placed in other competing countries.

Provisions showed an advance of £8,000, the principal items consisting of eggs, condensed milk, and butter, the values of the import of these articles being respectively £6,479, £2,782, and £2,201. The flourishing trade which was formerly carried on in Nagasaki in supplying ships with provisions has died out under the high duties of the revised customs tariff, duty now being charged on all articles supplied from bond to either men-of-war or merchant vessels.

There was an increase in the import of wine, beer, and spirits, the principal part of the import consisting of French wines, which are lightly taxed under the conventional tariff attached to the treaty with that country.

Steam boilers were imported from the United Kingdom and France to a total value of £7,406, the shares of the two countries in the import being £4,917 and £2,489 respectively.

The import of cotton manufactured goods was greater by some £5,000 than in the previous year; silk and woollen manufactures, however, showing a decrease.

Five steam vessels were imported in 1901, of a total value of £81,803. Of these, three were sea-going dredgers for use in the local harbour works and at the port of Wakamatsu, all being obtained from the United Kingdom at a total cost of £68,600. The remaining two vessels were an ocean-going steamer bought from Norwegian owners, and a steam launch built in Hong-Kong.

Sugar shows an increase of 33,523 cwts., value £29,610, as compared with the preceding year. This increase is attributable to the action of the Japanese Government in imposing a tax called the Consumption Tax. This tax is levied on all sugar which goes into consumption in the country, and is collected as regards imported refined sugars before they are removed from the Custom-house, and as regards sugars refined in Japan when delivered from the refineries. This tax, although declared to be an excise duty, appears, as far as the foreign importer is concerned, to largely resemble a second import duty. Owing to the method of collection, the importer has not only to bear the charge for interest on the amount of the Consumption Tax from the date of arrival of his sugar in Japan until such time as it goes into consumption, but he has also to run the risk of paying a greater amount of tax than would be leviable on its going into consumption, supposing that from long storage it had deteriorated in quality or lost in weight. To make the point clear, the following are the classifications of the different kinds of sugars under the Customs Tariff and under the Consumption Tax:—

Classification under the Customs Tariff.

Class I.—Raw sugar or sugar partially refined up to and inclusive of No. 14 Dutch colour standard.

Note.—This class includes blacks, browns, reds, and dark yellows.

Class II.—Refined sugar Nos. 15 to 20 Dutch colour standard.

Note.—This class embraces light yellows.

Class III.—Refined sugars above No. 20 Dutch colour standard.

Note.—This class includes all whites.

Classification under the Consumption Tax.

Class I.—Up to No. 3 Dutch standard of colour and under.

Class II.—Above No. 3 Dutch standard of colour and below No. 15.

Class III.—Nos. 15 to 20 Dutch standard of colour inclusive.

Class IV.—Above No. 20 Dutch standard of colour.

Consumption Tax, per picul (133 lbs.), on Class I., 1 yen; on Class II., 1 yen 60 sen; on Class III., 2 yen 20 sen; on Class IV., 2 yen 80 sen.

From this it will be seen that it is possible that a foreign importer may have paid Consumption Tax on a shipment of sugar classed on arrival as No. II., which, on delivery for consumption, may, owing to long storage, have deteriorated into Class I.—a loss of 60 sen per picul. It was anticipated that this tax would be levied as from April 1st, 1901, and moderate speculative purchases were made with the object of anticipating the import. However, the tax did not become operative until October 1st, and, time allowing for purchases from Europe, heavy speculation ensued, resulting in serious hampering of the trade. Owing to the flooding of the market with unsaleable stocks in anticipation of the new tax, the usual difficulties arose with Japanese purchasers. Having anticipated large profits, the dealers have shown themselves unwilling to accept the losses that have resulted from their speculations, and have asked for time and accommodation, free storage, and reductions in contract price, all of which have had to be acceded to by the foreign importer.

The competition of the native refineries is becoming keener, and there is every reason to believe that, as they increase their plant, they will gradually absorb the entire trade of Japan.

Exports.

The export of coal, which represents one-fourth of the entire trade of Nagasaki, shows a decrease of £155,378 in value and 186,943 tons in quantity as compared with 1900, and of no less than £190,361 in value and 225,892 tons in quantity as compared with 1898. The export of cargoes of coal have practically ceased, the whole trade being bunker coal. Nagasaki is essentially a coaling and shipping port, and its trade fluctuates in proportion to the number of vessels that visit the place. The decrease may be largely ascribed to the much less frequent visits of the United States army transports. Owing to the greatly diminished number of troops to be moved, the visits of the transports have been proportionately fewer. The convenience of Nagasaki as a coaling port for mail steamers and other large vessels is fully appreciated, and there is every reason to believe that its trade in bunker coal will continue to increase; but the exporting of cargoes of coal has passed to the

subsidiary ports of Kuchinotsu and Karatsu, and more especially to Moji.

Shipping.

The aggregate tonnage of the merchant shipping under all flags entered in the four ports shows a considerable advance in 1901 as compared with the previous year, the most marked increase being in vessels under the Russian flag and under the Japanese.

During the year, 515 Japanese vessels of 585,373 tons entered, as against 456 vessels of 552,551 tons in the previous year, and 428 vessels of 542,574 tons in 1899. At Kuchinotsu, 107 vessels of 156,908 tons entered, as against 98 vessels of 147,143 tons in 1900. Of the total entries at the port of Karatsu, numbering 102 vessels of 93,625 tons, 77 vessels of a tonnage of 55,407 were Japanese. The entire shipping trade of Hakata consists of small sailing vessels under the Japanese flag. British shipping shows a decrease in 1901 of 29 vessels and 79,029 tons as compared with the preceding year. The aggregate of British shipping in the two principal ports (Nagasaki and Kuchinotsu) also shows a decline of 29 vessels and 76,491 tons.

The cause of the decrease as regards steamers may be traced to the fact that the vessels of the Peninsular and Oriental Company have practically ceased to visit Nagasaki. On the other hand, French, German, Russian, and United States shipping each show an increase, as will be seen from the accompanying table:—

Nationality.	Number of Vessels.	Tonnage.
Japanese	622	742,281
British	250	619,111
Russian	239	385,318
German	109	337,047
French	78	144,426
American (U.S.)	30	86,472
Norwegian	42	48,190
Other nationalities	13	14,365
Total entries—		
Nagasaki and Kuchinotsu	1,383	2,377,210
Karatsu	102	93,625
Hakata	31	1,486
Grand total	1,516	2,472,321
,, 1900	1,393	2,366,661

Total shipping entered at the five ports in 1900:—

Nationality.	Number of Vessels.	Tonnage.
Japanese	1,221	1,579,174
British	409	944,492
French	54	114,421
German	175	395,230
Other Nationalities	455	649,738
Total	2,314	3,683,055
Total for 1899	2,000	3,063,968

Import trade of Nagasaki during the years 1901-1900:—

Articles.	1901. Value.	1900. Value.
WESTERN PRODUCE.	£	£
Coal	119,288	183,082
Cotton, raw	40	42,168
Dyes and paints	14,364	15,134
Flour	14,774	16,224
Glass, and manufactures of	8,095	6,133
Instruments, tools and implements	7,000	13,250
Machinery, cranes and parts	12,314	43,369
,, other	46,426	
Metals—		
Iron, manufactured	92,152	157,513
,, manufactures	30,393	37,109
Rails and fittings thereof	1,373	34,550
Pipes and tubes	14,417	15,572
Steel and steel manufactures	15,719	10,373
Copper and manufactures of	11,035	26,680
Brass	5,320	
Lead	5,459	
Miscellaneous	11,642	
Provisions	25,372	17,336
Steam boilers	7,406	8,737
Submarine telegraph cables	15,119	71,014
Textiles—		
Cotton manufactures	8,953	3,616
Silk	6,282	10,364
Woollen	6,311	7,162
Miscellaneous	3,876	2,660
Timber	19,536	17,028
Steam vessels	81,803	117,644
Wine, beer and spirits	12,862	9,020
Sundries	73,739	59,218

Foreign Trade.

In dealing with the value of the foreign trade of the port of Nagasaki as compared with Kobé and Yokohama, Mr. Forster explains that no very great expansion can reasonably be looked for, the market for foreign manufactured goods in the interior of the Island of Kiushiu being comparatively limited, and supplied almost exclusively from the large depots in Osaka. Nagasaki also, with the exception of coal, has little share in the exporting of the products of the island—such as tea, silk, and straw matting—which are conveyed to Kobé and shipped from there. It may be said, therefore, that the port has no commercial "Hinterland" to which it might form the channel of communication, and thereby develop an extensive foreign trade. Its importance as a shipping port, however, cannot be gainsaid, affording as it does a perfectly safe anchorage, an unlimited coal supply, and docking and repairing facilities of the highest class. Its unique geographical position tends also to encourage still larger numbers of vessels to visit the port, as it is not only on the highway between Hong-Kong and America, but also on the direct route for ships bound to Vladivostock and Siberian ports. Opportunities for the forwarding of cargo transhipped from the main European and American lines to places in North China and Siberia occur almost daily, and there is every prospect, as the development of these countries proceeds, that this trade will continue to increase. The future prospects of Nagasaki are, therefore, most reassuring, and whatever aid it is in the power of the Government to afford will not be wanting to ensure the prosperity of what may be truthfully termed the premier shipping port of the Empire.

THE JAPANESE LOANS.

ALL those who are interested in the welfare of Japan must have been gratified by the very favourable reception accorded the recent issue at par of Imperial Japanese Government Five per Cent. Bonds in London. The issue was generally expected to be successful, but it was hardly anticipated that the applications would be so numerous as to necessitate the closing of the lists considerably before the advertised time. The financial houses and the investing public rightly concluded that a Japanese Government security which yielded a clear 5 per cent. per annum in interest was not a thing to be passed by. The actual moment of issue was not favourable. The Bank rate had been advanced to 4 per cent., and although money was fairly plentiful in London, there was much scarcity in America, and the prospects of gold drains both towards the United States and the Continent had to be taken into account. Consols stood at 93, or at nearly the lowest point touched since their conversion by Lord Goschen. Investors were notoriously shy of nearly all branches of the Stock Exchange. Foreign stocks have rarely been popular in London—at least, of recent years—but Japan has come to be regarded as so closely allied to ourselves that she stands in altogether a different category from most of the other Powers. She is our friend, and British investors were anxious to show both their confidence and their friendship. We are convinced that neither the confidence nor the friendship will fail to be reciprocated.

The most important point about this issue was that it was not a new loan, but formed part of issues authorised in 1892 and 1896. The Five per Cent. Bonds, amounting to 50,000,000 yen, were purchased from the Industrial Bank of Japan (of which we gave some description last month) by the Hong-Kong and Shanghai Bank, Baring's, and the Yokohama Specie Bank. The last-named bank will pay the interest in London at the fixed rate of exchange 2s. 0½d. per yen. They remain unredeemed from their dates of issue—partly in 1901, and partly in 1902—and will ultimately be paid off not later than 1955 and 1956. According to the present programme of the Japanese Government, all the outstanding debts, together with those to be contracted during the years 1902 to 1908, will all be cleared off by the end of fiscal year 1945. The outstanding debts at the time of the new issue were 518,765,040 yen, and a further amount of 115,746,290 yen had been authorised. There now remain some 65,000,000 yen still to be issued. With the exception of 10,000,000 yen, the whole 115,000,000 yen above mentioned is ear-marked for railways and public works, which will increase materially the prosperity of Japan. It is not an unremunerative expenditure, such as we have, unhappily, had largely to incur in this country during the past three years.

It will be of some interest to compare the conditions under which the new Five per Cent. issue was made, and that of the Four per Cent. Loan which was floated in London in June, 1899. The loan of three years ago was for £10,000,000 sterling, and the price of issue was £90 per £100 bond. Consols were at that time as high as 111, and there was a great demand for high-class investment securities. Nevertheless, the Japanese issue was not received with marked favour. That country had adopted a gold currency in 1897, and the disturbance to its trade and banking conditions which the alteration of the currency caused had not fully settled down. It is hardly too much to say that Japan could not have placed a currency issue at that date except on much more onerous terms than were decided upon for the gold issue. The loan was, however, taken up by investors and financial houses—though not wholly at the price of 90—and the quotation has since never reached the rather too sanguine price of issue. This decline was, of course, less the fault of Japan than due to the fall which took place in all stock markets after the outbreak of the war in South Africa. In the autumn of 1899 the Four per Cent. Bonds fell as low as 83; in 1900 they dropped to 75½, and in 1901 to 74⅞. The quotation is now 85½. It will be observed that this latest quotation places the Four per Cent. Bonds relatively higher than the Five per Cent. Bonds issued at par; and this difference is, no doubt, due to the freer market which exists for a gold loan as compared with a currency issue, even when the currency is on so firm a basis as is the gold standard of Japan.

We are so well accustomed now to Japanese securities in London that it is difficult to realise that none existed before the year 1870. Japan in those days had to pay 9 per cent. for its borrowed money, and in 1873 could not obtain better terms than 7 per cent. The amounts of these preliminary issues were small—less than 17,000,000 yen together—and have long since been paid off. By the year 1886 the Japanese Government had reached a stage in economic development when it was able to borrow at about 5 per cent. The numerous small loans which had been issued at higher rates were then redeemed, and a consolidated Five per Cent. Loan took their place, to the no small advantage of the Japanese taxpayer. In all, there have been twenty-two issues of loans since 1870, of which eleven have been paid off. The amounts represented by the redeemed loans are altogether 306,697,260 yen. The Japanese Government has been so careful to redeem its securities when this course could be taken with advantage, that the debt of the country is small as compared to those of most countries. At the end of 1901 the outstanding debt was not more than 24s. per head of population. If our National Debt was as low as this, we should be paying interest upon about £50,000,000, instead of upon some £740,000,000. It must also be remembered that the greater part of the Japanese debt has been invested in works, such as railways, harbours, and so on, and is only to a small extent an unremunerative burden on the country.

YEN.

MESSRS. PREECE AND CARDEW, consulting engineers, of Queen Anne's Gate, Westminster, have been instructed to receive tenders for the supply of the following plant for the Shanghai municipal authorities:—Contract 1: Two 500 Kilowatt steam alternators—the engines to be enclosed, double-acting type, and alternators to have stationary armatures; pressure, 2,100 volts; periodicity, 100. Contract 2: Switchboards. Contract 3: Two condensers and circulating water pumps. Specifications and form of tender may be obtained on payment of £1 1s. for each contract. This deposit will be returned on receipt of a bona fide tender. Sealed tenders, endorsed "Shanghai Contract.....," must be delivered to Messrs. Preece and Cardew not later than the 30th inst.

JOURNALISM IN JAPAN.

An Editor from the Far East Reviews Its History and Progress.

A most interesting paper relating to the history of the Press in Japan, and the manner in which the go-ahead little people conduct their newspapers, was read by Mr. M. Zumoto, editor of the "Japan Times," on Tuesday night, the 14th inst., before the Japan Society at their home in Hanover Square. The large hall was filled with members of the society and their friends, among whom was a good sprinkling of ladies, and many bronzed faces, which clearly denoted years of residence in Eastern climes.

Mr. Diósy, Chairman of the Japan Society in London, introduced the lecturer in his usual fluent and able manner, and it was at once apparent to the audience that Mr. Zumoto possessed a wonderful command of the English language and a ready wit. He speaks with little or no foreign accent, and when referring to the fact that Yellow journalism was already well known in the capital of Japan and other large towns, and that the lady journalist was by no means an unknown quantity, his remarks were invariably prefaced by a merry twinkle of his eyes which put his hearers in very good humour.

In gauging the degree of progress in civilization attained by a people, there is, I believe (said Mr. Zumoto), no guide so sure and reliable as its public press. The press is a faithful mirror of the life of a people in its manifold aspects. The press may be bad, or it may be good, but it cannot be much worse or much better than the people among whom it exists.

There are men and women who denounce the press of their country or a section of it, and say hard things about the poor drudges of the editorial room, quite forgetting that they are all the time giving substantial encouragement and instigation to these editors by purchasing and even enjoying the abominable productions of their pens. So, in the last analysis, it is not the editor but the general public that makes the press. I do not say this in defence of the yellow journals—we have enough of them and to burn; all I want to say is that the press of a country is the best and surest indication of the advance made by its people in culture, manners, and all other things that go into the make-up of the mixed product we call civilization.

A Nursery for Statesmen.

While admitting that in this respect the Press of Japan was by no means entirely satisfactory, Mr. Zumoto believed he could safely invite the examination and scrutiny of fair-minded observers without any uneasiness as to their verdict. The Press had now become, for good or evil, a great power in Japan; it was really the fourth estate in the land. Its personnel contained some of the very best intellects in the country; it had during the past few years furnished half a dozen Ministers of State and a large number of politicians of high standing. It had, in fact, become a nursery for statesmen.

As an evidence of Japan's worthy ambition to be considered the first country in the Far East, and to maintain proud traditions of its past, it would be difficult to find anything to beat the following:—

The Chinese, as you may probably know, boast of the possession of the oldest existing newspaper in the world—their "Metropolitan Gazette" (the "Kin-Pao"), which is still published in Peking, being nearly 400 years old. If we cannot claim quite the same sort of distinction, we can still claim for our journalism a history of which we need not be ashamed. You may be surprised when I say that the origin of Japanese journalism dates back as far as the early part of the seventeenth century. Long before our doors of seclusion were forced open by the impatient nations of the Far West our ancestors had found a device by which they kept themselves in touch with current events and news. The news sheets of those days were roughly got up, being printed from wooden blocks, hastily purchased for each issue. They were meagre in news, uncouth in form, and quite irregular in appearance, there being no fixed date for publication. Neither were they issued by any particular and fixed publisher. Anybody could issue them, and at any time they pleased. These sheets were called "Yomiuri," which being translated means sold by hawking.

The oldest of these sheets that have been preserved in the archives of some of our princely families bear the date of the very beginning of the seventeenth century, and contain very vivid illustrations of some of the tragic scenes of the fall of the renowned castle of Osaka, a war which consummated the definite establishment of the Shogunate dynasty of Tokugawa. It is quite possible that even before that time there may have been in existence something corresponding to a "Yomiuri"; but, if so, history has not made any mention about them. We have, then, no valid excuse for carrying back the origin of our journalism further than the beginning of the seventeenth century. That is, however, a sufficiently long record for a comparatively young nation like Japan.

News, Not Editorials.

Having shown that China was not really ahead of Japan centuries ago, the speaker had a quiet rub at the gentlemen who, in their editorial columns, are supposed to mould public opinion. He said that the sheets he referred to, even in the heyday of their growth and prosperity, did not attempt to inflict their own editorial comments and opinions upon the public—an example which he was tempted to suggest some of their successors of the present day might do well to follow, to no small relief and benefit of the reading public. The writers of these sheets wisely confined themselves to news, yet they did not altogether escape from another besetting temptation not entirely unknown to the journalistic profession. In their zeal to supply the public with the latest news, or, what was practically the same thing, their anxiety to be the first in the market, betrayed them—quite unconsciously on their part, of course—to give news that was not over correct, and which had to be contradicted in the next issue of their sheets.

But if those responsible for the production of these sheets were not particularly distinguished for their accuracy and consistency of their views, the speaker claimed that they at least had the merit of doing their work pretty quickly. And this he illustrated by the following story:—

I suppose you, at least some of you, have heard about the immortal fame of the forty-seven *rôn-in* of Akô, who, after years of most painful and heroic struggles, succeeded in avenging the death of their beloved lord in the early part of the year 1703. History records that, on this occasion, a full printed description of this tragic event was hawked about the streets of Yedo within a few hours. Considering the imperfect means of communication and the primitive state of the contrivances then in use for gathering and publishing news, this feat speaks volumes for the enterprise and pluck of the poor, much-maligned purveyors of news in those days.

How News was Promulgated.

The publication of these sheets was confined to the capital City, Yedo, and other principal towns like Osaka and Kyoto, in those days. People living in other parts of the country, if they cared at all for news, had to be content with very old news. At that distant date, however, the lecturer's ancestors had devised a means of carrying the mails which worked wonders in case of

urgent public business. It was on record that mail bags were very frequently passed on over a distance of two hundred miles in twenty-four hours, and this was accomplished by relays of fleet-footed carriers stationed at short intervals.

Besides the "Yomiuri" publications mentioned, which were private publications, the feudal Government of Tokugawa published a gazette called the "Gosata-Juki," copies of which were supplied to officials and a few privileged persons. It was a daily publication, excepting holidays, and was in this respect more like a modern newspaper than was the "Yomiuri." But it contained only official appointments, notifications, and Court news. Exactly when it was started the speaker could not say, but it was generally believed to have been nearly as old as the dynasty itself under which it prospered. It was the progenitor of the "Dajô Kwan Nisshi," published immediately after the restoration of political power to the Imperial Court, thirty-five years ago, and later still of the Official Gazette of the present day.

After the country was opened for foreign intercourse, during the latter days of the Shogunate Government, about thirty newspapers or periodicals were started in Yedo and Yokohama, a few of them being founded by Japanese in co-operation with foreign residents, but the majority of them were under Japanese management. The art of printing had been known in Japan for five centuries. There were in existence there now hundreds and thousands of books which had been printed from movable types. These types, however, were very imperfect, and consequently the artistic feelings of the people resented them, and movable types were considered to be the height of vulgarity and bad taste.

Growing More Ambitious.

Mr. Zumoto then told of how thirty-five years ago the first newspaper worthy of the name, and known as the "Chugai Shimbun," was started in Tokyo. This was during the first year of the present reign. It was a weekly production, printed at first from wooden blocks, and subsequently from movable types. This paper was edited by Shunzo Yanagawa, a well-known scholar of the day, and he was assisted by a few writers of distinction, including the late Baron Kanda. Unlike the "Yomiuri," it was not content with the self-effacing rôle of simply publishing news; it was ambitious enough to print editorial comments on current topics; but the contents covering its ten pages was very commonplace compared with the newspapers now circulating in Japan.

The business department of a Japanese newspaper was not exactly progressive in those days, if the following example cited by Mr. Zumoto was a sample of the whole:—

> The editors note with satisfaction the growing prosperity of their venture, and notify their subscribers that, in view of the increased labour and trouble entailed on them by their increasing circulation, the gracious subscribers will kindly spare them the trouble by sending for their copies, instead of having them delivered to them as before.

And now the time had arrived when the first daily newspaper of modern type in Japan was to be published. In 1871 the "Mainichi" made its appearance at Yokohama, and was afterwards transferred to Tokyo, where it still maintained an honourable position. This venture was soon followed in Tokyo by a number of new dailies, some of which now hold foremost places in the field of Japanese journalism, and of these the speaker mentioned the "Nichi Nichi," the "Hochi," the "Nippon," and the "Yomiuri Shimbun." A year later, in 1872, an Englishman named Black (to whose memory Mr. Zumoto paid "a well-deserved tribute" as one who had done "brilliant service under the new Imperial Government"), started a daily newspaper, which he had printed in the Japanese language, of which he himself was "a consummate master." The "Nisshin-Shinji-Shi," though of short existence, did much to help the development of journalism in Japan, and from that time on the growth and improvement of the Japanese Press had been steady and rapid, until now, practically, there was not a town of over ten thousand inhabitants that had not two or more newspapers. In 1899 the number of newspapers and magazines published in Japan, according to official returns, was 978, about one-half of which were devoted to science, literature, and religion, the other half being concerned with political and general affairs. Tokyo to-day was naturally the principal centre of journalism in Japan, where there were published daily somewhere between thirty and forty newspapers. Of these, the most important were the "Jiji," the "Nichi Nichi," the "Kokumin," the "Mainichi," the "Yomiuri," the "Chugai Shogyo," and the "Nippon." These newspapers contained from eight to sixteen pages, and were made up of editorial articles, general news, miscellaneous matter, and fiction. Serial novels and stenographic reports were regarded as "indispensable attractions."

Again, the "Yellow" Press.

Mr. Zumoto now reverted to the Yellow Press, of which he had previously intimated they had their full

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74, Great Tower Street, London, E.C., England.

share in Japan, and every country had a similar experience. But his further remarks on this subject are both interesting and instructive, for few Westerners would believe that the "level-headed" Japanese were given to sensationalism. But it would appear that, although read widely, sensational journalism is not taken at all seriously.

They count among them some of the most widely circulated journals; they are undoubtedly the most prosperous part of the press. Most people affect to denounce these papers, and, I believe, some of them consistently, but many of these respectable persons are said to be less consistent, for they somehow manage to keep themselves well informed of the contents of these papers. According to a malicious rumour, men read them every morning on their way to business; their wives pore over them in their absence, while a third copy finds its way to the servants' hall. You must not, however, suppose that we take these sensational papers seriously; while enjoying their personal notes and scandals, we attach so little importance to what is contained in their columns that when our names appear there in unequivocal light we simply leave the matter alone without taking any notice of it. When these papers are presumptuous enough to meddle with any serious question of State the rebuff for them is even more signal. I may site a characteristic story to the point: While the negotiations about the Anglo-Japanese Alliance were going on, and while nobody in Tokyo—except a few in the Government—had even the slightest suspicion of the matter, one of the yellowest journals came out one morning in December or January last with a note, under big black head lines, saying that communications were then in progress between London and Tokyo with a view to the conclusion of an alliance between the two countries. Of course, the conductors of the paper expected to create a big sensation all over the the country, if not the world, but their self congratulations were quite unavailing, for, thanks to their well-established reputation, their announcement—which was really a big scoop—attracted absolutely no notice whatever.

As to their circulation, our newspapers fall far behind their contemporaries here or in the United States. The sensational stories, as I have already told you (and it is the case in every country), sell better than their sober and respectable neighbours. Of these journals, the "Niroku," which undoubtedly prints the largest number of copies, claims a daily circulation of over 150,000, while the "Yorozu,' the next most popular paper of the same class, issues probably 120,000 copies every morning. The others fall far below them. Few newspapers of the respectable class claim, with two exceptions, a circulation of much over 30,000 at most. The average, I believe, is somewhere between 10,000 and 15,000. The exceptions I have named are the two leading papers in Osaka, the "Asahi" and "Mainichi," the former having a daily circulation of 150,000, and the latter a little over 100,000. In political influence they do not compare with the great dailies of Tokyo. But they stand at the head of journalism in Japan from a business point of view, partly owing to good management, but principally because of the splendid facilities which the unique geographical situation and the long-established business connections of Osaka affords to these papers for getting hold of the most populous and best developed parts of the Empire.

The Personnel of the Press.

Already Mr. Zumoto had told his hearers that the editorial room was a nursery for statesmen, and now he enlarged upon this by giving instances where newspaper men have been called upon to fill the highest Government positions in the Japanese Empire: Mr. Yukio Ozaki, ex-Minister of Education, and now leader of the Constitutional party in the House of Representatives, had been a journalist for many years; so had Baron Suyematsu, who occupied several important Cabinet posts under Marquis Ito. Mr. Hara, an able statesman of the younger school, formerly editor of the "Osaka Mainichi," was the Minister of Communications under Marquis Ito's last administration; and Mr. Inukai, "than whom a shrewder politician it would be hard to find in my country," who presided over the Department of Education under Count Okuma's last Cabinet, made his name in journalism. The present chief editor of the "Hochi," Mr. Minoura, had been Vice-Minister of Communications, and Mr. Komatsubara, of the "Osaka Mainichi," made a distinct mark, under Marquis Yamagata's last Cabinet, as Vice-Minister of Home Affairs. Other equally distinguished and respected politicians who had graduated from the school of journalism were Mr. Tokutouri, of the "Kokumin"; Mr. Asahina, of the "Nichi Nichi"; Mr. Kuga, of the "Nippon"; Mr. Shimada, of the "Mainichi"; and Mr. Oska, of the "Chu-o."

The Liberty of the Press.

After briefly referring to the late Mr. Fukuzawa, who was the founder and chief editor of the "Jiji," as the most distinguished person in the history of Japanese journalism, and was called the Dr. Arnold of Japan, Mr. Zumoto said that the Press of Japan wielded an authority commensurate to the high standard of its personnel. Then, with reference to the law under which the Press is governed in Japan, he said:

I may safely say that it is practically as liberal as in any other country. From year's end to year's end the newspapers can and are actually criticising most freely the policy and conduct of the Government, without any fear of official interference. The only restriction imposed on the liberty of the Press relates to the divulging of State and Military secrets in time of contingency. Before this restriction comes in force, however, a previous notice is given to the Press, so that there is no danger of a patriotic or right-minded editor being caught in the net of the law unawares.

At this juncture the speaker, bowing low, said: "Finding so many ladies among the audience, I cannot close without saying something about the part woman plays in the journalism of Japan." He declared that they went in for the elevation of women, and that young ladies were to be found on the editorial staff of the daily newspapers in Japan. An editor of an important newspaper told him that these young ladies, as writers on social topics and as interviewers (they had interviewing there), were very clever; but lady journalists was a new phenomenon in Japan, and he could not say whether ladies going into journalism would not be sorry for it.

In concluding his very interesting paper, Mr. Zumoto made a brief reference to the sentiments and attitude of the Japanese Press towards England, and what he was pleased to call its "great people":

The newspapers of Japan have always been maintained by a deep feeling of friendship and admiration for your illustrious nation, a feeling which has found an unstinted expression on all important occasions. In its endeavours to lead and educate the people in politics, in commercial development, in national expansion, the Japanese Press has invariably pointed to Great Britain as a model and example. And nine out of ten editors looked, and still look, to the noble treasures of the English literature for inspiration and information in the prosecution of their daily work. And it is English journalism, and its unique traditions, that the best section of the Japanese Press constantly keeps in mind in its humble efforts to be a worthy factor in the elevation of its beloved countrymen.

Loud and prolonged cheering greeted Mr. Zumoto after his peroration, and the Chairman, Mr. Diósy, on rising, said that they had had many admirable papers read before the Society, but he ventured to say that they had seldom before heard one so interesting.

J. St. Leonard.

GREAT BRITAIN AND JAPAN.

FROM AN INDUSTRIAL AND ECONOMIC POINT OF VIEW.

III.—Japan's Future Export Trade.

In my previous articles I indicated in a general way the possibilities there existed in Japan itself of Great Britain increasing its trade, and of Japan building up a large import trade, which is requisite if she is to become a manufacturing nation. I pointed out the difficulties which Japan had to face to achieve this, and how Great Britain might assist her in fulfilling some of her ambitions. Now there are further considerations to be looked at in order to ascertain whether Japan can attain to the high office of purveyor of the East.

We frequently hear Japan referred to as the Britain of the East, though this is chiefly connected with her political status and the development of her army and navy than with industrial matters or with the quantity and quality of her natural resources. But the more one studies the country and her people, the more one is struck with certain unique features in regard thereto. In the first place, as we have already said, we have an Oriental people who have to a great extent thrown off the prejudices and yoke usually associated with Eastern peoples, and have come out from among them, pushing their way into what we in the Eastern hemisphere regard as the van of civilisation. In a word, they have transformed, or are transforming, themselves from an artistic race into an industrial and engineering people—one of the most remarkable transitions the world has seen. The Chinese, the native Indian, Persians, and other similar races, have not, apparently, minds which can assimilate industrial and economic ideas. Strangely enough, the Japanese have—and a quickly assimilative mind, too; while another and more advanced element is entering into the matter, and that is inventiveness. I make these few remarks in order to lead on to the main question of this article—namely, the development of an export trade for Japan, and also to bring out a seemingly strange anomaly which exists between the country and its people. The Japanese are fitting themselves to undertake and achieve great things in the engineering line, but the question is where the chief application is to take place, and how far it will figure in an export trade.

Now for an export trade certain requirements are necessary. It is impossible to build up a foreign trade unless the country has extensive natural resources which she can give in exchange for commodities she requires herself, or can in some other way provide a medium of exchange. This has, of course, been the basis of Great Britain's pre-eminence in the manufacturing and exporting nations of the world for so many years. Its vast coal supplies, as well as its extensive iron ore deposits, are the causes of the supremacy which it held so long, and which it to a great extent still retains. Now Japan has no such deposits to make calls upon. As I have said, its coal deposits, although fairly extensive and of good quality, are not sufficiently so to form a substantial foreign trade, while her iron ores are neither extensive nor of high grade, and her supplies would have to be obtained outside her own boundaries. At the present time Japan's financial possibilities are not sufficiently strong to enable her to make large purchases in these directions, or to obtain them on credit, or in exchange for manufactured commodities of other descriptions. It may be contended that she is not yet in want of these; but if she is to fulfil her ambitions, and attain the position for which she is fitting herself, then the need will appear sooner or later. So far as I am aware, this question has not yet been faced, although it will ultimately have to be, and it is one which is likely to cause a considerable change in the industrial arrangements of more than one country, and, it may be, especially of Great Britain. It is practically impossible to build up iron and steel industries unless a good and reliable supply of coal and ore are available. The foundation of an iron industry has been attempted in Ireland, and has failed, even with such large supplies of fine coal near at hand, and iron ore readily obtainable. There is no country in existence which has succeeded in making any show in iron and steel manufacture that has not fair deposits of coal. It has been found possible to take iron ore to coal and make a profitable industry, but never the reverse. Necessarily, also, the ore deposits must be within reasonable distance, otherwise frieght charges would swamp all possible profit. Now, so far as Japan is concerned, it is at present doubtful if she can provide the requisite supply of coal, and if so, whether American iron ore is not too far away to make it profitable to import it. [It must not be forgotten that Japan will undoubtedly, in the event of her own resources failing, make calls on the very extensive Chinese mines in the Yangtse Valley.—Ed. "A. J. G."] Let it stand, for the moment, as beyond commercial realisation. In addition to this, there would not be a great outlet for iron and steel goods in the immediate vicinity of Japan unless she could throw large quantities of cheap articles on the markets.

A Textile Export Trade.

But there is another direction in which it is quite possible for Japan to build up a large industry, and that is in textile manufactures. Almost everything is in her favour for it, and it is quite possible, and probable, that it may become the chief industry in the country, and occupy a similar place to that held by it in Great Britain. She has an enormous field for such manufactures, and a large supply of cotton, wool, etc., is available at distances no greater than it is from England—in some cases nearer. She has cheap labour available, means of transport, plentiful and necessary skill to carry out the engineering work connected with such enterprise. Moreover, there is much greater certainty of making such an industry profitable than any other she could put her hand to; but the further consideration of this development we shall postpone to the next article. It is, however, a matter which touches this country very closely.

S. O.

The figures relating to Japan's foreign trade for the last two weeks in July show an excess of imports of 595,540 yen. The returns for both imports and exports for the above-mentioned period amounted to 8,752,172 yen and 8,156,632 yen, or nearly double as compared with the first two weeks of the same month. For the first two weeks in August the figures were: Exports, 6,593,901 yen; imports, 5,489,668 yen—an excess of exports of 1,104,233 yen, bringing the total of excess of exports from January last to 22,913,734 yen.

NOTICE.

THE ANGLO-JAPANESE GAZETTE *will be published on the 15th of each month. The Annual Subscription is 7s. (3½ yen), payable in advance, post free at home and abroad. Cheques, P.O.O., &c., should be made payable to "The Manager," and crossed "The Hong-Kong and Shanghai Banking Corporation."*

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GENERAL NOTES.

IN THE SECOND WEEK OF OCTOBER an important contract, running into very large amounts, for the delivery of a number of locomotive engines was given by the Imperial Japanese Government Railways. Several of the large British makers, some American, and three German firms tendered for the contract. The German tenders alone were accepted, for, although the Japanese railway authorities are well aware, by experience, that the British locomotives are the best in regard to workmanship and durability, the very low price at which the Germans tendered, and the necessity for economy in first outlay, gained the day for the German engines. The extraordinary activity shown in this matter, as in all others where there is a chance of securing a contract for the industries of the Fatherland, by his Excellency the German Minister in Tokyo, had no doubt a great deal to do with the decision of the Japanese State Railway Department. It is also interesting to learn that the competing German firms came to an understanding amongst themselves—a course of action frequently adopted by German and American manufacturers, but seldom, if ever, practised by British rival firms. Two rather bitter reflections are suggested by the result of this competition for the large Japanese order. One is that British money, recently plentifully supplied to Japan by the various successful loans, is thus being poured to a considerable amount into German pockets. The other is suggested by the contrast between the zeal exhibited by Germany's diplomatic representative in the interests of his country's trade, and the aloofness of British diplomatists in matters of such moment as the case now instanced. One can hardly imagine His Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary "lobbying" in the ante-rooms of the Japanese Minister of Communications, or Public Works, in the interests of manufacturers at home; but surely something might be done, even by such an exalted personage, on the lines of the strenuous activity displayed by his German colleague. Sentiment is a strong factor even commercially in Japan, and there is no doubt that our allies would prefer to buy from us, all conditions of quality and price being equal; but it will not do for our manufacturers and their representatives to rely too much on this gratifying international cordiality. They must put their houses in order as to the economy and discipline of their methods of manufacture. Unless they want to lose the trade of the Far East, they must indubitably "wake up," for this locomotive contract is not the first line of the "handwriting on the wall."

British Firms, Take Notice.

IT will be seen by the report of Mr. Forster, H.M. Consul at Nagasaki, which is given elsewhere in this issue, that in the matter of machinery and metals the products of British firms preponderate. All the cranes and drilling machinery were, without exception, imported from Great Britain, while the share of other countries, notably the United States and Germany, for other descriptions of machinery was insignificant. It is also gratifying to note that the entire trade in metals also is practically in the hands of British firms, although Germany and Belgium have a small share, the competition of the United States, which at one time appeared to be assuming formidable proportions, having entirely died out, except iron nails, in which that country has a monopoly. Of the total imports to Nagasaki last year, over 92 per cent. were British.

THE revenue from the leaf tobacco monopoly for the present fiscal year is estimated in the Budget at 11,720,000 yen. Owing to bad weather, however, it is feared there will be a deficiency of about 30 per cent. in the tobacco crop, representing a loss to the Government of some four millions of yen. Much concern is evinced, and it is expected the authorities will raise the price of the leaf. It is estimated that the shortage will amount to some 5,000,000 kwamme.

THE committee who are superintending the arrangements in connection with the Osaka Exhibition have decided to issue a pictorial postal card as a souvenir of the Exhibition. The issue of the commemoration card, which is at present in the designer's hands, will take place before the opening day. The Post Office authorities at Osaka have also decided to issue a special stamp during the Exhibition period.

AS will be seen from the very full report which appears in our news columns, the paper read on Tuesday evening, the 14th October, by Mr. M. Zumoto before the

Japan Society was an unequivocal success. In introducing the speaker, Mr. Arthur Diósy, Chairman of Council, said: "It is with the greatest pleasure I open the 12th Session of our Society by taking the chair at this meeting. The paper which is to be read will be by one of our corresponding members from Tokyo, who is visiting the Society for the first time to-night, and who has rendered us yeoman service in the past by giving news of our doings in Japan through the columns of the newspaper which he so ably edits—the "Japan Times." It is a newspaper printed entirely in English, but written and edited by Japanese. Its editor is Mr. M. Zumoto, a member of our Society, and formerly secretary to Marquis Ito."

At the conclusion of his reading, the chairman invited the members and their friends to ask Mr. Zumoto any questions relevant to the subject-matter, and the invitation was responded to with alacrity from all parts of the hall, from which it would appear that more than one newspaper editor, or working journalist, was present. The guest of the evening, however, was equal to the occasion, and was not the least disconcerted as he responded most imperturbably to the volleys which were, metaphorically speaking, hurled at him.

From these questions it was elicited that 2½ ozs. of printed matter is carried by the Japanese mails at a cost of what would be half a farthing in English money. The paper used for printing purposes is to-day manufactured in Japan, but that country is indebted to England for its introduction. The price of paper is higher in Japan than in England. In spite of this, the newspapers manage to make a small profit out of their business. Generally speaking, it was considered that a newspaper was doing very well if 60 per cent. of its income was made up from advertisements.

"Now we are coming to a delicate question," said Mr. Zumoto, when asked what wages were paid to journalists in Japan. However, he explained that formerly newspapers did not pay at all in Japan, hence many editors gave their labour free; it was a labour of love. Now it is different, the editors of high-class newspapers receiving about £60 per month, and even more in some instances.

In reply to further questions, Mr. Zumoto said that the labour of producing a newspaper in Japan was much greater than in either England or America. The difficulty is in picking out the type. The difference in labour between the setting of type for a newspaper printed in Japanese and one in English he explained by stating that there are about 38,000 different characters in the former, and that the compositor has to run all around a large room, picking from the long rows of founts, which are placed in perpendicular rows, the type he requires. In reality, only 12,000 or so characters are in general use, but even this number is sufficient to engage the undivided attention of a fairly good sprinter. Unlike the proprietors of our English two-a-penny newspapers, the Japanese would seem to have the courage of their convictions. Many of these journals are printed on yellow paper.

The sixty-second ordinary meeting, being the second of the 12th Session of the Japan Society, will be held in the hall at 20, Hanover Square, W., on Wednesday, the 12th November, at 8.30 p.m., when Mr. Wilson Crewdson, M.A., member of Council J.S., will read a paper on the Early Influence of the Occident on Japan in Modern Times.

Among the recently-elected members of the Japan Society are Mr. M. Ariyoshi, His Imperial Japanese Majesty's Acting Consul-General in London; Mr. T. Hamacuchi, B.A., of Pembroke College, Cambridge; Mr. G. Osborne, with Messrs. Okura and Co.; Mr. E. Hope Pearse, F.R.G.S., F.Z.S.; Mr. G. N. Browne, A.R.S.M.; Mr. S. F. Walker, M.I.E.E., who was in Japan as far back as 1870, when a sub-lieutenant in the Royal Navy, aboard H.M.S. "Phœbe"; and Dr. E. G. Bulleid. Among the corresponding members elected are Count H. Coudenhove, LL.D., Ph.D., F.R.G.S., formerly I. & R. Austro-Hungarian *Chargé d'Affaire* in Tokyo; Mr. Henry G. Jacoby, of Berlin, the well-known friend of Japan and Collector of Japanese Works of Art; Herr Warndorfer, of Baden, near Vienna; Lieut. A. S. B. Roberts, of the Indian Staff Corps, now serving in Burmah with the Queen's Own Corps of Guides; Mr. R. C. Nesbitt, a lawyer who is now travelling in Japan; Miss C. A. Kingdon, of Nottingham, who visited Japan last year; Mr. Sam Polak, a friend of Japan, who resides in South Africa; and Messrs. W. C. Rowe and E. J. F. Seyd.

Mr. Wilson le Conteur, M.J.S., who travelled all over Japan in 1899, and has had many years' experience in Australasia, is now on his way from Sydney, N.S.W., to take up residence in London.

The Society Française et Japanaise de Paris, 42, Rue de Grenelle, gave a farewell luncheon on October 21st at the Military Club in the Avenue de l'Opera, to Colonel Akashi, the Military Attaché to the Japanese Legation in Paris, who is about to return to Japan.

Arrangements have been completed for the establishment of a Japanese Consulate at Odessa. At present the category of articles exchanged by the two countries is comparatively limited, but it is hoped before long, with the assistance of Japanese representatives in the principal centres in Russia, familiar with Japanese and Russian requirements, to very considerably augment it.

THE LORD MAYOR-ELECT.

SIR MARCUS SAMUEL.

THE election of Sir Marcus Samuel, head of the firm of Messrs. M. Samuel and Co., of London, Yokohama, Kobé, and Formosa, to fill the position of Chief Magistrate of the City of London at the present juncture is a matter of considerably more than passing interest to the majority of our readers. It seems to us to be only in keeping with the general trend of Eastern affairs that in a year marked by the conclusion of an alliance between this country and Japan, that the premier civic office should be filled by one who has undoubtedly contributed in no small degree in establishing the present friendly feeling, and who has done so much to develop

Photo by SIR MARCUS SAMUEL. *Stereoscopic Co.*

and cement the trading relations between the two countries. What is still more significant is the fact that it was the firm over which Sir Marcus presides who were responsible for the launching in this country of the first Japanese (Gold) Loan of £4,500,000.

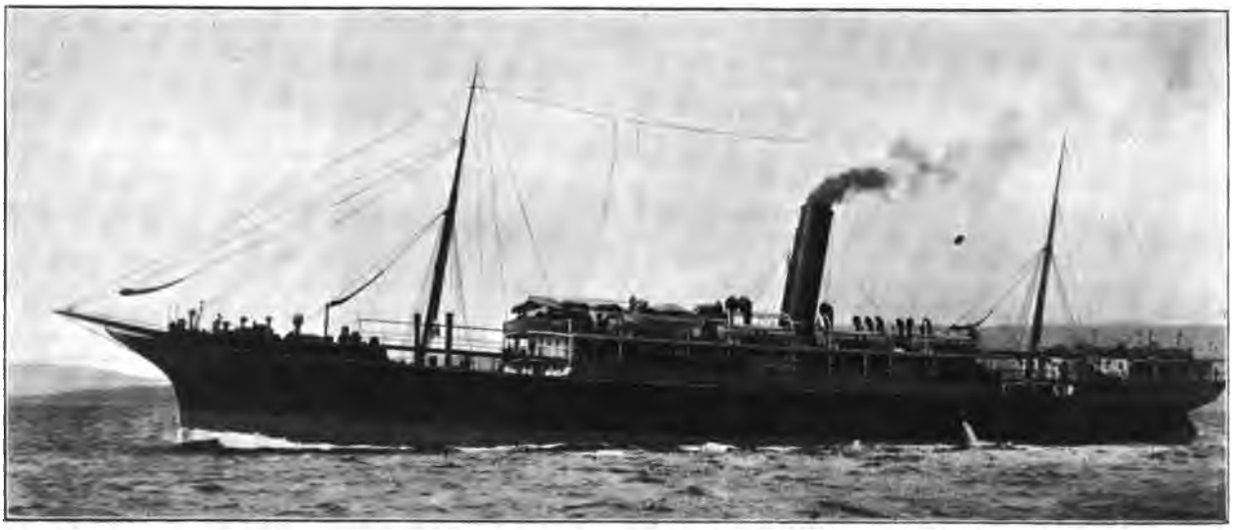
Sir Marcus Samuel—whose portrait in Mayoral robes is given above—is a son of the late Mr. Marcus Samuel—a name closely associated with many benevolent works. After finishing his education at Brussels, the Lord Mayor-Elect spent several years travelling in Ceylon, the Straits Settlements, Siam, the Philippines, China, and Japan. During this tour he acquired much valuable information, which has since stood him in good stead in connection with the business enterprises with which he has been identified. At one time the two firms —M. Samuel and Co., of Leadenhall Street, London, and Samuel, Somuel, and Co., of Yokohama, Kobé, and Formosa—were, comparatively speaking, small concerns; but when Sir Marcus became the ruling spirit new departures were entered upon, and a fresh impetus was given to the conduct of affairs. To Sir Marcus Samuel is due the credit of first conceiving the idea of transporting petroleum in bulk through the Suez Canal. The result of this new departure is to be seen to-day in the flourishing condition of the Shell Transport and Trading Company, of which he is the chairman. The development of this undertaking may be illustrated by the following figures: At the time it was formed the undertaking possessed a capital of only £40,000, and controlled steamers of a total tonnage of 150,000 tons. At the present time the capital is £2,000,000. A very large proportion of this additional capital has been raised at a considerable premium. Dividends ranging between 6 and 10 per cent. have been paid: a reserve of £400,000 has been built up; and there is a carry-forward of no less than £115,000. Even now the business of the company may be said to be in its infancy. New developments are being continually carried out, and additional boats added to the fleet, with the result that the company now occupies a well-defined and unquestioned position amongst the most flourishing mercantile concerns with which the shipping world is identified. It is owing to his connection with this company that Sir Marcus Samuel owes his present title—to the services rendered a few years ago by one of the company's boats in salving one of her late Majesty's men-of-war. By his charming personality, the chief characteristics of which are simple kindliness of disposition and an unobtrusive geniality, Sir Marcus has won hosts of friends. At his country seat, situate in one of the prettiest corners of Kent, he is surrounded by many unique and exquisite samples of Japanese art, and what is perhaps the finest collection of dwarf trees to be found outside the Mikado's domains.

ACCORDING to a report from the "Times" correspondent at Odessa, it appears that the negotiations between the Russian Ministry of Finance and the Japanese Ministry of Trade and Commerce respecting the establishment of extensive trading relations between Russia and Japan are nearly concluded. The question of granting special privileges to each country's exports and imports is stated to have been already settled, in the main, successfully. Russia agrees to lower the existing duties on a schedule of Japanese products for which a market either already exists in Russia, or for which, with the assistance of the recently-appointed representatives of the Japanese Ministry of Trade and Commerce in Russia, a considerable market is assured. The export trade of certain of Russia's staple products will be similarly favoured by Japan. Special facilities will be afforded by Japanese markets to Russian petroleum and other products. The establishment of a special line of first-rate steamers between Odessa and other ports in the Black Sea and ports in Japan has been accepted as of prime importance in any sound attempt to develop Russo-Japanese trade. It is considered probable that a special line of tank steamers will be established to ply between Batum and Nagasaki.

THE NEW STEAMER FOR THE AUSTRALIA-JAPAN SERVICE.

We give below an illustration of the most recent addition which the Eastern and Australian Steamship Company, of London, have made to their already fine fleet of steamers. This handsome vessel, the "Empire," built by Messrs. Williams, Beardmore, and Co., Limited, of Glasgow, has been specially designed to meet the requirements of the above-named company's mail and passenger service running between Australian ports and China and Japan. As the course traversed by these vessels is mostly through tropical climates, accommodation has been provided before the machinery for the first-class passengers, and exceptionally large state-rooms have been placed on the upper deck, which admits of perfect ventilation. These are furnished in a very luxurious manner, and fitted with the most up-to-date improvements for the comfort of the passengers. On the bridge-deck are a spacious dining-saloon and music-room *en suite*, and a comfortable smoking-room. These are all provided with large square windows, giving an abundance of light; while overhead, the shade-deck, on which the boats are stowed, forms an admirable shelter from sun and rain to the splendid promenade reserved for first-class passengers on the bridge-deck. From this deck passengers may obtain a glimpse of some of the most beautiful and picturesque scenery to be experienced on, perhaps, any sea voyage in the world, including the world-famed Inland Sea of Japan with its matchless landscapes. Very superior is the accommodation set aside in the after part of the steamer for second-class passengers; indeed, it is scarcely inferior to that for the first, and includes a commodious dining-saloon, capital smoking-room, large state-rooms, bath-rooms, etc. The 'tween-decks are fitted for European and Chinese emigrants.

The general dimensions of the "Empire" are: Length 400 ft., breadth 46 ft. 6 in., depth 30 ft. 2 in., and 4,500 gross tonnage; with a topgallant forecastle, long bridge, full poop, and a shade-deck amidships. The hull is built of steel to Lloyd's highest class, under special survey, and completed in accordance with the Board of Trade regulations for passenger steamers. The upper decks and fittings are of teak, and the most modern appliances have been supplied for the efficient working of she ship and the rapid handling of cargo, including a very complete installation of electric lighting with double dynamos, and a large refrigerating plant with insulated chambers for the conveyance of meat and perishable goods. The machinery consists of a set of triple-expansion engines, having cylinders 28½ in. by 47 in. by 78 in. diameter, by 51 in. stroke. The two double-ended boilers have a working pressure of 200 lbs., and are fitted with the most recent improvements for efficiency and economy, including Howden's forced draught, etc. Designed with a cutwater bow and figure-head, the "Empire" presents a very symmetrical appearance, and taken altogether, is not only a splendid specimen of a first-class merchant steamship, but reflects great credit on the builders. She has been constructed under the supervision of Captain S. G. Green, the company's marine superintendent at Sydney, and Mr. Laurence Niven, their commodore engineer, and the vessel is commanded by Captain W. G. McArthur. At the recent trial a speed considerably in excess of the tract was easily maintained, and the company's representatives expressed themselves highly pleased.



THE EASTERN AND AUSTRALIAN STEAMSHIP COMPANY'S NEW STEAMER "EMPIRE."

REDUCTIONS IN RATES OF FREIGHT.

The several companies trading to the Straits Settlements, China, and Japan announce reductions in rates for various classes of freight, coming into force as from the 24th inst.

The Editor will be pleased to receive at all times articles notes and correspondence on subjects of interest relating to Japan.

AS OTHERS SEE US.

Some Impressions of a Japanese Gentleman.

MR. M. ZUMOTO, editor of the "Japan Times," a newspaper printed entirely in English at Tokyo, has been spending a few weeks in England, after an extended visit of six months to the United States. Although his many friends here in London engaged very much of his time, the genial editor—for such he is—graciously accorded an interview to a representative of "The Anglo-Japanese Gazette," in the course of which he briefly criticised the manners of the English and Americans, being decidedly in favour of the former.

Mr. Zumoto was rather loth to give any expression of his impressions or experiences during his absence from Japan. At length, however, he said—and I put it in his own words: "I may say one thing. Coming over from America, I was very much struck with the different manners of the people on both sides of the Atlantic. In America, travelling by rail or going about in the trolley-cars, the moment I took my seat the rest of my fellow-travellers would turn their eyes on me and make me feel very uncomfortable for five or ten minutes. When I boarded the train at Liverpool for London, I had expected there would be something of the same treatment; yet, to my surprise and pleasure—expecting someone would look at me—they did not stare, and the same experience has been repeated always during my stay here. Not only the ordinary people, but the man in the street, seem to have the same freedom from the habit of staring.

"Another thing that pleased me very much in England has been the general air of picturesqueness, and the abundance of quiet shades in architectural and general landscape; and it was very restful to my nerves to spend a few days in Warwick after my stay of six months in New York. What also struck me very favourably was the neatness of the towns and villages. Of course, there are many splendid residences in America, and well-kept lawns; but here the smallest cottages, evidently occupied by poor people, give you the feeling that they are kept with great care, and this I failed to find in America."

At the House of Commons.

Mr. Zumoto visited the House of Commons on the day of its re-opening after the holidays. His experience there was one that is not likely to impress him with the dignity of some of our legislators. But, to quote his own words: "I went to the House of Commons about four o'clock, and, from my experience gained in our House of Representatives, I felt that something important was coming up, and at length I witnessed a scene that I will never forget. I admired the coolness of the Prime Minister while a certain member was shouting and denouncing him, and there was only a smile on his face. We have no exact equivalent to the Irish members in our House of Representatives, but some of the members are very excitable. What struck me strangely was the *grille* where the ladies have to stay. This was the more surprising to me that in a country like England, where ladies are so much respected, such a relic of the past should be allowed to continue until the present day."

When asked if he was aware that a weekly newspaper was being printed in New York City in the Japanese vernacular, Mr. Zumoto said: "Oh, yes; the editor is a personal friend of mine. But I cannot say that I see the use of this, as the majority of the Japanese prefer to read papers printed in English.

Coal and Iron Ore Deposits of Japan.

Questioned as to the possibilities of Japan developing her iron and coal industries, Mr. Zumoto said:—

"As a result of the late war with China in 1894-1895, we recognised the absolute necessity of being self-maintained in the manufacture of arms and munitions of war; and the Government instituted extensive investigations as to the possible supply of iron ore in the country, and the result has been extremely satisfactory. It was found that we could mine iron ores of very good quality in sufficient quantity to supply all our wants, not only in the field of armaments, but also for the manufacture of rails and various kinds of machinery. And then, of course, the Government began to build a large iron foundry in the north of Kiushu, which was opened for work towards the end of last year. For the coming few years the ores necessarily required for the foundry will be supplied from Japanese mines. As regards coal—"Coal of the best quality in Japan," said Mr. Zumoto, "is mined in Hokkaido, which is the most northern island of the Japanese group, and also in Kiushu (formerly called Yezo), which is the most southern island. There are also a few fields in the neighbourhood of Tokyo which have lately been discovered, and are now being worked for supplying house or cannel coal, but it is of a very inferior quality. It is exported to the continent of Asia as far as Singapore.

THE HEART OF JAPAN.*

VERY amusing, picturesque, and pathetic are the sketches which Mr. Brownell provides of Japanese life in the book before us, and the style in which they are written adds to their attractiveness. One gains an excellent idea of the habits, customs, and occupations of those Japanese who are not met with in the large towns of the country, who live and move in an almost ideal environment, where the best traits and the quaintest customs are to be seen to perfection. Unfortunately, into these domains of primitive peace and usefulness the trail of modern innovations will be likely to apply some of the customs to corrupt ends. Such a trustful state of existence as is described by Mr. Brownell, under the heading of "chits" and perdition would, we fear, suffer outrage at the hands of some of those "sowers of wild oats" who are sent out to Japan "to sober up." "Might have as well sent him to Hades to cool off!" was the appropriate comment of a London newspaper man at "tiffin at a club in one of the treaty ports one day." So we should imagine. The chapter, however, is an admirable picture of Japanese character and relationship, and we advise our readers to peruse it for themselves. This simplicity of life and thought, the whole-hearted hospitality, of the Japanese is brought out just as clearly in Mr. Brownell's various chapters, and probably few who have not studied the people know, for instance, what a Japanese bath is like. Gardner, the writer's friend, who was with him, made a study of baths. Apparently the custom is to bathe every afternoon in the regulation tub—"an oval arrangement about as high as it is long, and a foot longer than it is wide. In one end there is a stove-pipe running down through the bottom. The top of this pipe is just even with the rim of the tub. At the bottom there is a grate, which holds the charcoal fire that heats the water. The idea is to get into the tub when the water is warmed a little, and then sit there while the temperature rises gradually. This rising process is "most effective." So Gardner found it when he went through it himself, and was disturbed during the operation by his friend's wife and maid coming out to wash rice in the garden where the bath stood. The Japanese, he says, can stand it until the thermometer shows 125 to 128 degrees. Gardner's picture of that bath is most graphic, and is worth reading.

THE DRAGON FOUNTAIN. *From the "Heart of Japan."*

Just a hint of a deeper life behind all this manner,

* The Heart of Japan: Glimpses of life and nature far from the travellers' track in the land of the Rising Sun. By Clarence Ludlow Brownell. Methuen and Co. 6s.

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custom, and superstition is brought out into relief under the title of "And so he became a saint." We have little space at our command, but the pathos and beauty of the story compels us to quote it briefly. A certain husband and wife visit friends in another part of the country. These friends consisted of mother and son—the latter's name Rambo, who fell so deeply in love with O Gozen San, the young wife, that he wanted her to elope with him. Her reply to this was, "It would never do to run away together, and leave my husband to follow us. We might both lose our lives. You must await his return, and at night, when he is asleep, put an end to him. We can then live in peace, without fear of molestation." There was fierce joy in Rambo's heart on hearing O Gozen San speak these words. A little later Gozen's husband returned, and that night he was feasted and his saké cup kept well filled. Then presently he called for a futon (bed), which Gozen brought and laid out for him. He was soon asleep, and the little wife, "closing the karokami to her apartment, changed the dark kimono she was wearing for one all white. Then she laid out her husband's own bed in its accustomed place, took a rosary that once had been her mother's; kneeling with the beads between her palms, she repeated slowly, several times, a Japanese prayer. And now, lying down, she covered herself with her husband's yagu, and lay as though asleep, quite in the position her husband had been wont to occupy. Only she herself knew that it was the woman, and not the man, who lay there." Then Rambo entered and carried out his deadly work; and the scene the next morning the author wisely does not endeavour to depict, but can be easily imagined.

This is one of the few pictures in Mr. Brownell's delightful book. S. N.

THE HOUSE TAX PROTOCOL.

ARRANGEMENTS have at last been arrived at for a friendly settlement of difficulties which have for so long been pending between the Japanese Government and the foreign residents in Japan. The arbitration protocol which has been signed by the Japanese Minister of Foreign Affairs (Baron Komura) and the Ministers of Great Britain, France, and Germany in Japan, states that the tribunal shall consist of two members of The Hague permanent Court, nominated by appellants—namely, one by Japan, and one by Germany, France, and Great Britain. These two are to choose an umpire, failing which the King of Sweden and Norway is to be requested to name the umpire. The parties are allowed eight months in which to prepare their cases, and, at the end of that period, six months in which to prepare counter cases. In the meantime, the Japanese Government, in a very graceful and becoming fashion, have voluntarily declared its intention to defer further levies of the tax, and engages that all who have hitherto paid without distraint shall be in no wise prejudiced.

AN ENTERPRISING FIRM.

The attention of Japanese merchants and shippers is directed to the several specialities for which Mr. E. Hope Pearse, St. Dunstan's House, Idol Lane, London, E.C., is the sole export agent for Japan. These comprise, among others, the well-known brand of "Cromartie" Scotch whisky, which, although it has an extensive sale in other countries, has only lately been introduced into Japan. It is a whisky of the very highest quality, regard being had to the price, and the well-known analyst, Dr. L. Thelwell, L.R.C.P., L.R.C.S., has testified that it is distilled from pure malt only, that it is absolutely free from fusel oil, and strongly recommends it as being the most suitable stimulant for those suffering from gout, rheumatism, or atomic dyspepsia. The "Cromartie" is the finest blend of old matured Highland whisky, and it has been much appreciated since its introduction into Japan. Mr. Hope Pearse also acts as the export agent for the well-known Victor Clicquot champagne. Messrs. Quenardel and Cie., of Reims, are the successors to Victor Clicquot, the senior of whom has been engaged in the champagne trade for over 40 years. Their 1893 vintage champagne, which is now being shipped so extensively to South Africa, is a remarkably fine wine, which will readily commend itself to all judges who know a good champagne from a bad. And as it grows in popularity we are confident that it will meet with the same success in Japan as it has done in England, America, and other parts of the world. As regards the celebrated Warrington gins, "Old Tom" ("Long Tom" brand), "Dry Gin" (green label), for which Mr. Hope Pearse is also export agent, it is almost superfluous to speak of the merits of any of the productions of Messrs. G. and J. Greenall, Ltd., whose distillery is the oldest of its kind in England, having been established so long ago as 1762. All their gins are made from the finest quality grain spirit only, the other ingredients being of the same high standard. Three years ago the firm erected a new still to meet the growing demand for their products, which now enables them to turn out 200,000 gallons annually in excess of their former output. Warrington brands of gin are famous throughout the world, and merchants in Japan would be well advised to avail themselves of the opportunity of stocking these and the other high-class specialities mentioned.

Rose's Lime Cordial Juice

Is absolutely the Purest and Best Beverage. Cools and Purifies the Blood.

L. ROSE & CO., Ld., 89, Worship St., London, E.C.

JAPANESE INDUSTRIES.—I.

The Mitsu Bishi Dockyard Company.

THE WORKS BELONGING to the Mitsu Bishi Dockyard and Engine Company at Nagasaki are in every way worthy to be classed with the best concerns of a similar nature in this country. In the matter of equipment, both for shipbuilding and repairing, the firm possesses plant far superior to that of any other concern engaged in the same industry in the Far East. The workmanship, which is under skilled European supervision, is worthy to compete with any in British yards. There are two docks, one of an extreme length on blocks of 513 ft., and one of 360 ft. A new dock, to have an extreme length on blocks of 600 ft. or more, is in course of construction, which it is hoped will be completed towards the end of 1904. There is also a patent slip capable of taking vessels up to 1,000 tons. The area of the shipbuilding yard permits of the building at the same time of two vessels of 600 ft. in length and two of 300 ft. No expense is being spared by the proprietor of these works in obtaining tools and machinery of the latest and best patterns, the indents of this undertaking forming a large item in the import trade of Nagasaki. During the last year a new machine shop, 200 ft. in length, has been erected and fitted with four cranes (one of 20 tons capacity) and thirty-five machines of the newest pattern, all driven by electric power. The boiler shop has also been enlarged, and an overhead crane of 40 tons capacity installed. In accordance with the proprietor's scheme of improvements, steam-power is being gradually discarded in favour of electricity, and, to meet the increasing requirements of power, the station at the engine works has been enlarged, and a new one erected at the shipbuilding yard, the latter having at present twenty-one motors of an aggregate brake horse-power of 367.

The foundry shop has been enlarged, and a saw mill fitted with vertical saws, planing machines, etc., erected, all the machinery in the latter having been imported from the United Kingdom. A club and library have been built for the use of employés. The firm employ upwards of 5,175 hands.

During 1901, twelve vessels, ranging from ocean-going steamers to steam launches, were built at these works, of an aggregate gross tonnage of some 16,700, and 14,200 indicated horse-power. At present six vessels are on hand. The following table will give some idea of the work delivered during last year:—

Description.	Length	Breadth.	Depth.	Tons.	I.H.P.
	Feet.	Ft. in.	Ft in.		
Twin-screw cargo and passengers	445	49 2	33 6	6,301	5,411
,, ,, ,, .	445	49 2	33 6	6,319	5,106
,, passenger ...	270	40 0	13 0	2,711	2,495
Single-screw ferry boat	100	20 0	8 6	189	186
,, ,, ,,	100	20 0	8 6	189	186
Self-propelling dredger	150	33 0	12 0	495	400
,, ,, ,,	150	33 0	12 0	495	400

Of these, the first two are for the service to the United States of the Japan Mail Steamship Company, the third for the Yangtze River service of the Merchant Shipping Company of Osaka, and the fourth and fifth for the service connecting the Kiushiu and Sanyo railways at Shimonoseki. The two dredgers were constructed to the order of the Wakamatsu Harbour Works Company. In addition to the above vessels, three steel Hopper barges, each of 1,800 cubic feet capacity, were built for the Imperial Navy Station at Sasebo, and two steam launches for private owners.

At the close of 1901 the orders in hand, some of which were already in course of construction, comprised the following:—

Description.	Length.	Breadth	Depth.	Tons.	I.H.P.
	Feet.	Ft. in.	Ft. in.		
Salvage steamer ...	186	29 0	16 2	712	690
Single-screw steamer	320	42 0	25 0	2,774	2,279
,, ,, ,,	320	42 0	25 0	2,774	2,279
Steam yacht	90	17 8	9 6	80	...
Twin-screw passenger and cargo	445	49 2	33 6	6,320	5,000
Single-screw ,, ,,	256	36 6	16 4	1,900	1,600
,, cargo ...	279	39 0	23 3	2,100	1,200
Twin-screw passenger and cargo	420	50 0	30 6	5,400	6,500

Of these, the first is specially constructed for salvage purposes, but is also used as a passenger boat between Nagasaki and places on the neighbouring coasts; the second and third for the transportation of ore from China to the Government steel works at Wakamatsu, and the four last for the various services of the Japan Mail Steamship Company.

During the past twelve months the following vessels were docked:—

	Number.	Tonnage.
Japanese—		
Men-of-War	23	6,666
Merchant vessels	51	85,306
Foreign—		
Men-of-War	21	53,498
Merchant vessels	54	147,673

In an early issue we hope to furnish our readers with some further particulars, together with illustrations, of these important works.

SHIPPING NEWS.

THE following are the shipping returns for the port of Yokohama for the month of July:—

Nationalities.	Inwards.		Outwards.	
	No. of vessels.	Aggregate tonnage.	No. of vessels.	Aggregate tonnage.
British	32	77,267	28	72,173
Japanese	21	50,052	20	47,005
American	5	12,267	5	12,274
German	8	28,022	5	19,554
French	1	2,084	1	2,084
Various	4	9,174	4	9.174
Total ...	71	178,873	63	162,264

"AMBASSADORS OF COMMERCE."
II.

Mr. Toichi Tsumura, M.J.S.

When commencing the series of articles which will appear in the columns of the "Gazette" under the above heading from time to time, we little thought that we should so soon have occasion to perform the pleasing duty as that of chronicling the departure from these shores of a Japanese gentleman as representative of British industries in the Far East. Such an opportunity has, however, presented itself by the appointment of Mr. Toichi Tsumura to represent some of the leading firms in this country, and who sailed on the "Kawachi Maru" on the 10th inst. Moreover, it is, we

MR. TOICHI TSUMURA.

believe, the first instance in which a subject of the Mikado has been entrusted with a mission of this nature.

Mr. Tsumura has received commissions from the following firms: Messrs. Thos. W. Ward, Albion Works, Sheffield, iron and steel work, machine tools, etc.; Messrs. Bullivant and Co., Limited, 72, Mark Lane, manufacturers of wire ropes, aerial ropeways, etc.; Mr. E. Hope-Pearse, St. Dunstan's House, Idol Lane, the sole agent for the following well-known brands: Cromartie whisky, Greenall's celebrated Warrington gins, Victor Clicquot champagne, etc.; Nicholson, Goswell Works, Stratford, varnish and paint manufacturers (this firm is making a special brand of white waterproof paint for the Japanese market, called Shirasagi, White Heron); and Messrs. E. Brown and Son, Garrick Street, of Meltonian blacking fame, etc.; Messrs. Genese and Young, 3 and 4, London Wall Avenue, wholesale clothiers and exporters; Messrs. Duhamel and Co., Plough Yard, E.C., preserved provisions, etc.; Messrs. J. and G. Webb, Limited, Islington, mineral waters.

Although still a young man, Mr. Tsumura has managed, like so many of his fellow-countrymen, to acquire, during his eight years' residence in this country, a very thorough acquaintance of English ideas and habits. It is experience, coupled with his knowledge of the customs and requirements of his native land—and what he does not know in this respect, well, it would hardly be worth while going down the street to find out—particularly fits him for the position which he has so deservedly won.

After leaving Japan, Mr. Tsumura came to London, and turned his attention to shipbuilding, serving a one-year's apprenticeship with the Thames Ironworks, who at that time were carrying out a contract for the Imperial Japanese Navy. During this period Mr. Tsumura studied the many intricacies of shipbuilding in its various branches. Possibly finding that his vocation did not lie in the direction of the shipwright's craft, he then turned his attention to commercial pursuits, and was for a short period attached to the Consulate at Antwerp, at that time filled by an honorary Consul; and owing to the many delicate matters which were continually cropping up—it was about the time of the Japan and China War—his services were of considerable advantage. From Antwerp, Mr. Tsumura returned to London, and entered the employ of the well-known firm of Messrs. Yamanaka and Co., of New Bond Street, which position he held until quite recently.

Mr. Tsumura quickly impresses one with his ability to cope with the many and varied duties he will be called upon to perform. He is a man brimful of humorous anecdote, but behind all this there is a bed-rock of solid and practical information. We may mention a slight incident that occurred during a recent interview. Mr. Tsumura, after discussing the various interests which he will represent, called the attention of the writer to a very fine specimen of ivory handle for knives and forks, remarking that these would make suitable presents. Quite so. But has Mr. Tsumura heard the tale of the philanthropic Hebrew who one day paid a visit to one of the crowded streets in one of the slum districts, and distributed rubber balls among the small boys with which to amuse themselves? The following day this same astute son of Abraham, etc., appeared on the scene as a journeyman glazier. One is inclined to ask whether Mr. Tsumura is prepared to supply "Turner" blades for these handles. Although a business man to the core, Mr. Tsumura has devoted much of his spare time to literary pursuits. At the

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present time he is engaged on a work which will deal with the British commercial struggle with the Dutch during the seventeenth century. This should prove extremely useful to those who are interested in the present position of Japanese commerce. Mr. Tsumura is a member of the Japan Society in London, and at a recent meeting he contributed a very interesting paper on "The Dwarf Trees of Japan."

A. M.

DIVIDEND ANNOUNCEMENTS.

Uraga Dock Company.—The directors of the Uraga Dock Company have declared a dividend at the rate of 7 per cent. per annum.

Yokohama Engine and Iron Works, Ltd.—The report of the directors of the Yokohama Engine and Iron Works, Ltd., for the year ended May 31st last, shows that the net profit on the company's working for the year, after writing off for depreciation of buildings, plant, machinery, and making provisions for bad debts, and payment of directors' and auditors' fees, amounted to 10,646.62 yen. The amount of the balance brought forward was 98,434.63 yen, out of which amount an interim dividend was paid on August 30th last of 50 yen per share on 1,300 shares, 65,000.00 yen, leaving a balance of 44,081.25 yen, which the directors dealt with as follows, viz., payment of a dividend of 10 yen per share, which will absorb 26,000.00 yen, payment of a bonus to employees of 701.00 yen, leaving 17,380.25 yen to be carried forward to next account.

Nippon Railway Company.—A dividend of 10 per cent. per annum has been paid by the Nippon Railway Company.

Brett and Co., Ltd.—At a recent meeting of the shareholders of Messrs. Brett and Co., Ltd., a dividend of 7 per cent. on the Ordinary shares was declared.

Hong-Kong and Shanghai Banking Corporation.—At the 74th half-yearly meeting of the shareholders of the Hong Kong and Shanghai Banking Corporation, held at Hong Kong, the directors reported that the net profits for the half-year ended 30th June last, including 1,438,248.07 dols., balance brought forward from last account, after paying all charges, deducting interest paid and due, and making provision for bad and doubtful accounts, amounted to 3,557,618.92 dols.

It was recommended to transfer 500,000 dols. from the Profit and Loss Account to credit of the Silver Reserve Fund, which now stands at 4,750,000 dols.

A sum of 200,000 dols. was written off Bank Premises Account. After making these transfers and deducting remuneration to Directors, there remained for appropriation 2,842,618.92 dols., out of which the Directors pay a dividend of £1 10s. sterling per share, absorbing 533,333.33 dols. The difference in exchange between 4/6, the rate at which the dividend is declared, and 1/8¼, the rate of the day, amounts to 871,544 71 dols. The balance, 1,437,740.88 dols., is to be carried to New Profit and Loss Account.

SAILING LISTS.

P. and O.: Outwards.

	Leaves London.	For.	Arrives Yokohama.
s.s. Malacca ...	...	Malta, China, and Japan	Dec. 3
s.s. Bombay ...	...	,, ,, ,,	Dec. 17
s.s. Manilla ...	Nov. 1	,, ,, ,,	Dec. 31 1903.
s.s. Canton ...	Nov. 15	,, ,, ,,	Jan. 14
s.s. Ceylon ...	Nov. 29	,, ,, ,,	Jan. 28

P. and O.: Homewards.

	Leaves Yokohama.	Arrives Plymouth.	Arrives London.
s.s. Ceylon	...	...	Nov. 1
s.s. Candia	Sept. 16	...	Nov. 15
s.s. Glenshiel (Chtd.) ...	Sept. 29	...	Nov. 29
s.s. Locotra	Oct. 3	...	Dec. 13
s.s. Java	Oct. 27	...	Dec. 27

Nippon Yusen Kaisha: Outwards.

	Leaves London.	Leaves Middlesbrough.	Leaves Antwerp.	Arrives Kobé.	Arrives Yokohama.
s.s. Sado Maru ...	...	...	...	Nov. 12	Nov. 18
s.s. Kawachi Maru	...	...	..	Nov. 26	Dec. 2
s.s. Bingo Maru ...	...	...	...	Dec. 10	Dec. 16
s.s. Tamba Maru	Nov. 7	Oct. 25	Nov. 2	Dec. 24	Dec. 30
s.s. Sanuki Maru	Nov. 21	Nov. 8	Nov. 16	Jan. 7	Jan. 13
s.s. Hakata Maru	Dec. 5	Nov. 22	Nov. 30	Jan. 21	Jan. 27
s.s. Awa Maru ...	Dec. 19	Dec. 6	Dec. 14	Feb. 4	Feb. 10
s.s. Kamakura Maru	Jan. 2	Dec. 20	Dec. 28	Feb. 18	Feb. 24

BUYERS' GUIDE.

Arc Lamps, etc.—
Crompton and Co., Ltd., Chelmsford.

Agricultural Implements.—
R. A. Lister and Co., Ltd., Dursley.

Beer, Stout, etc.—
H. Meyer and Co., 47, Mark Lane, E.C., p. v.

Biscuits.—
Mackenzie and Mackenzie, Ltd., Edinburgh, p. v.
Peek, Frean, Ltd.; Huntley and Palmer.
W. Hubbard (Rusks).

Blacking and Polish.—
Messrs. E. Brown and Sons, 7, Garrick Street, W.C., and Paris.

Boilers, Water Tube, etc.—
The Stirling Boiler Co., 53, Victoria Street, London, S.W., and Edinburgh, p. ii.
Marshall, Sons, and Co., Ltd., Gainsborough.
A. and J. Inglis, Glasgow, p. iii.

Butter.—
Bretel Frères, Messrs. Lovell and Christmas, West Smithfield, p. iv.
The Copenhagen Preserved Butter Company.

Cableways.—
Bullivant's, Mark Lane, E.C. (Back page cover.)
R. White and Sons, Widnes.

Champagnes.—
E. Hope Pearse (Victor Clicquot, Maison Fondée, 1892).

BUYERS' GUIDE—*Continued on page* x.

THE PERFECTION OF SCOTCH WHISKY.

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RAILWAY CONSTRUCTION IN JAPAN.

The Government Railways.

THE total mileage of Government railways open to traffic in the Hokkaido during 1901 was 154 miles 3 chains, an increase on the figures for 1900 of 27 miles 65 chains. The total mileage of both Government and private railways combined is 366 miles, 212 miles of which are due to private enterprise. According to the present Government railway programme for the construction of a trunk line, 598 miles will be in operation in the Hokkaido within the next eight years. The following sections of this trunk line were constructed and opened to traffic during the year:—Tokachi Railway—Section from Shikagoi to Ochiai, 10 miles 41 chains. Kushiro Railway—Section from Kushiro to Shironuka, 17 miles 24 chains.

The Hokkaido Railway Company.

THE total length of the railways belonging to the Hokkaido Colliery and Railway Company open to traffic is 212 miles. This enterprising company contemplates the construction of two new lines with the object of opening up the coal mines of Mukawa and Rumoye, which have hitherto remained unworked. The Mukawa Railway will run from Momijiyama, on the Yubari line, to Kanayama in Ishikari, a distance of 38 miles. It will connect at Kanayama with the Government line, and will have a branch line two miles in length. The Rumoye Railway will run from Fukagawa in Ishikari, situated on the Government railway, to the port of Rumoye in Teshio, a distance of 29 miles. The cost of construction of the Rumoye Railway will be about £5,500 per mile.

The Kanson Railway.

WITH the removal of the financial difficulties which have for so long hampered the construction of the Kansan Railway, there seems every prospect that the line will now be vigorously pushed forward. The railway, which will connect the ports of Hokodate and Otaru, is 156 miles in length, and runs viâ Oshoro, Oshamambe, and Mori. The Diet have voted a sum of £124,650, or £800 per mile, in aid of the construction of this line. Of this sum, £14,740 is payable as subsidy for the current financial year, on condition that a distance of 18 miles 34 chains is completed during the year.

The subsidy will be paid on each section as soon as it is in working condition. Should the Hokkaido Railway Company fail to complete the railway, the Government will take it over, paying the actual cost less the amount of subsidy disbursed by the Treasury. It is also further provided that if, during fifteen years from the date of construction, the line be needed to complete the connections of the Hokkaido State system, the Government may take possession on handing over the actual cost of construction, unless the company returns, or has already returned, the amount received as subsidy. Pending the repayment of the Treasury's subvention, the company is forbidden to declare a dividend of more than 6 per cent.

Work was commenced on the Hakodate-Hongo and Raushima-Zembetsu sections in June last, and on the Hongo-Mori and Otaru-Raushima sections in July. The section of the Fogeshita Tunnel, about fourteen miles from Hakodate, was commenced some eighteen months ago. The length of this tunnel is 2,500 ft. The Momonai Tunnel, seven miles from Otaru, is 800 ft. long, and was commenced in June, 1901. It is intended to open the Hakodate-Mori section, twenty-nine miles in length, early in 1903, and by the end of that year a further section between Mori and Neppu, of fifty-six miles, will also be opened. The whole railway will probably be completed in three and a-half years' time.

JAPANESE NAVAL PROGRAMME.

A VERY comprehensive scheme of naval expansion has been decided upon by the Japanese Minister of Marine. This embraces the building of ships having an aggregate tonnage of some 120,000 tons. The construction will be spread over a period of six years, and will involve an annual expenditure of 20,000,000 yen.

COTTON-SPINNING INDUSTRY IN JAPAN.

More Hopeful Outlook.

THE following particulars relating to the six principal concerns engaged in the cotton-spinning industry in Japan for the first half of the present year are decidedly encouraging, and point to a general all-round improvement in this branch of trade. The Meiji Spinning Company declared a dividend at the rate of 10 per cent. per annum, placing 5,000 yen to the reserve; while the Senshu Spinning Company, which was for some time in difficulties, has been able to declare a dividend of 5 per cent. per annum, after paying off the loss of 1,500 yen on the working for the preceding half-year. The "Nippon Mankawa Kaisha" appears to be very successful. The report shows a net profit for the half-year of 106,553 yen. After placing 50,000 yen to reserve and other accounts, a dividend has been declared at the rate of 10 per cent. per annum, carrying forward 23,970 yen to next account. The company has decided to appropriate 10,000 yen to celebrate the tenth anniversary of its establishment on November 1st. The Settsu Spinning Company has declared a dividend at the rate of 20 per cent. per annum, placing 50,000 yen to the reserve. The Hirano Spinning Company reports a net profit of 50,000 yen, and declares a dividend at the rate of 16 per cent., placing 5,000 yen to reserve. The Sakai Spinning Company will pay 10 per cent. per annum, after adding 3,000 yen to reserve.

IT is estimated that the loss on the rice crop in Japan this year, owing to bad weather, will be between 10 to 15 per cent., and it is expected that the importation of foreign rice will amount in value to between 25,000,000 yen and 30,000,000 yen.

MR. KOSAKA KOMATARO, formerly Public Procurator in the Osaka Appeal Court, has accepted the position of legal adviser under the Siamese Government.

STOCK AND SHARE LIST.

	Shares.	Amount Paid.	Latest Closing Prices.
GOVERNMENT STOCK.			
Chinese Imperial Loan 7 per Cent. Silver, 1894 ...	£98	—	97 to 98
Chinese Imperial Loan 6 per Cent. Gold, 1895... ...	96½	—	104½ to 105½
Chinese Chartered Bank Loan 6 per Cent. Gold, 1895	106	—	104½ to 105½
Chinese Franco-Russian 4 per Cent. 1895	96½	—	102.70 fr.
Chinese Hong-Kong Bank 5 per Cent. Gold, 1896 ...	98¾	—	103 to 103½
Chinese Hong-Kong Bank 4½ per Cent. Gold, 1898...	90	—	92¼ to 92¾
Chinese Imperial Railway 5 per Cent. Gold, 1899 ...	97	—	97 to 98
Chinese Peking-Hankow Railway 5 per Cent. Gold, 1898	500 fr.	—	490 fr.
Japanese 5 per Cent. Consolidated Internal Silver Loan	—	—	46 to 48
Japanese 5 per Cent. War Loan Bonds	—	—	105¼ to 105¾
Japanese 4 per Cent. Imperial Government Loan, 1899	90	—	86¼ to 86¾
Hong-Kong 3½ per Cent. Inscribed Stock	—	—	101 to 102
BANKS.			
Banque de l'Indo-Chine ...	500 fr.	125 fr.	1,010 fr.
Chartered of India, Australia, and China	£20	£20	42½ to 43½
Hong-Kong and Shanghai	28⅛	28⅛	62½ to 63½
Mercantile Bank of India (Ltd.), "A" Shares ...	25	12½	10½ to 11
Mercantile Bank of India (Ltd.), "B" Shares ...	25	12½	7 to 8
National Bank of China ...		8	2 to 2¼
CABLE COMPANIES			
Eastern Extension Australasia and China	10	10	12 to 12¾
Eastern Extension Australasia and China 4 per Cent. Mort. Deb. Stock...	Stk.	100	107 to 110
Eastern Telegraph ...	Stk.	100	124 to 129
Eastern Telegraph Pref. ...	Stk.	All	90 to 93
Eastern Telegraph 4 per Cent. Mort. Deb. Stock...	Stk.	100	106 to 111
Great Northern	10	10	26 to 27
Telegraph Construction Co.	12	12	38 to 41
Telegraph Construction Co. 4 per Cent. Deb. Bonds...	100	100	102 to 105
MISCELLANEOUS.			
China Mutual Steam Navigation Co. Pref.	10	10	11½ to 12½
China Mutual Steam Navigation Co. Ord.	10	£5	4 to 5
China Mutual Steam Navigation Co. Bonus ...	£7 10s.	£7 10s.	6 to 7
Chinese Engineering and Mining Co.	£1	£1	22s. to 24s.
Eastern Mortgage and Agency Co. Ord.... ...	10	10	3 to 4
Eastern Mortgage Founders	1	1	—
Eastern Mortgage 4½ per Cent Deb. Stock... ...	Stk.	100	80 to 82
Hong-Kong and China Gas	10	10	13 to 15
Indo-China Steam Navigation Co.	10	10	7 to 9
Labuan and Borneo Co. ...	£1	1	—
Manila Railway Co. 7 per Cent., Cum. Pref. ...	10	10	1¾ to 2
Manila Railway Co. 6 per Cent. Debs.	100	100	53 to 55
Manila Railway Co. 6 per Cent. Prior Lien Mt. Bds. A	100	100	108 to 111
Manila Railway Co. 6 per Cent. Prior Lien Mt. Bds. B	100	100	102 to 104
Manila Railway Co. 1st Mortgage Certificates ...	100	100	100 to 102
Messageries Maritimes of France	500 fr.	500	304 fr.
North Borneo Trading Co. Ord.	10s.	9s.	6d. to 1s.
Pahang Corporation ...	1	10s.	10s. to 15s.
Pahang Corporation 10 per Cent. Pref.	1	£1	1⅜ to 1½
Pahang Kabang	1	19s. 6d.	1s. 9d. to 2s. 3d.
Pekin Syndicate, Ord. ...	1	1	6 to 7
Pekin Syndicate, Shansi Shares	1	10s.	½ to ¼
P. and O. Steam, 5 per Cent. Pref.	Stk.	100	132 to 135
P. and O. Steam, Def. ..	Stk.	100	202 to 207
P. and O. Steam, 3½ per Cent. Deb.	Stk.	All	103 to 105
P. and O. Steam, 3½ per Cent. 2nd Deb.	Stk.	75	74 to 76
Shell Transport and Trading Co.	1	1	1 1/16 to 1⅛
Shell Transport and Trading Co. 5 per Cent. Prefs.	10	10	9¼ to 9¾
Siam Exploring Co. ...	1	—	3s. to 5s.
Suez Canal	20	20	152 to 157

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PURVEYORS TO
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AND
H.R.H. THE
PRINCE OF WALES.

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THE RECENT ELECTIONS IN JAPAN, AND THEIR RESULTS.

BY ALFRED STEAD, F.S.A.

THE time has now arrived when the affairs of Japan and the doings and sayings of her politicians are of interest to the Western world. Since Japan has been recognised as a first-class Power, and has been admitted into close and intimate relations with us, it is well to keep in touch with every change of importance in the Japanese body politic. It is for this reason, if for no other, that the recent general elections in Japan should receive more attention than they have as yet had bestowed upon them.

Ever since the granting of the Constitution and the first session of Parliament, the Lower House of the Diet, the House of Elected Representatives, has been of an unruly and turbulent spirit. Many of its actions have borne a resemblance to those of some of our own legislators. The unfortunate result was attributed largely to the extent of corruption prevalent during the elections, owing to the fact of these being conducted by signed ballot, and also because the electorate had but a very vague idea of the uses and abuses of voting. This latter defect could, naturally, only be overcome by education and time; but the former did not suffer from this drawback, and in March of 1900 a new election law was promulgated. In the Diet this had been the cause of much heated discussion, and the Government found it necessary to amend their measure considerably before it could obtain the sanction of both Houses. It is this new election law which has been tested this year for the first time, and this thus gives an especial significance to the results of the elections. Besides the necessity felt of avoiding the possibility of curruption and intimidation, the great growth of industries in Japan called for some change in an electoral system which gave most of the representation to the agrarian voters. In fact, the majority of the agrarian elected members in the Lower House has been up till now overwhelmingly great. The principal points in which the new law differs from the old may be summarised as follows:—

1. Every voter shall mention only one candidate on the balloting paper, and shall not sign the paper. If either of these conditions are broken, the vote shall be void.

2. The electorate is enlarged. Under the old law, as a general rule, two or three "gun" (a unit of a prefecture) formed one electorate; but by the new law a "ken,' or prefecture, taken as a whole,

forms one electorate district. The number of members returned varies according to the population.

3. Every city forms a separate electorate, distinct from the prefecture in which it is situated.

4. The qualification of a voter as regards direct State taxes is reduced to 10 yen (£1) annually, from 15 yen (£1 10s.).

5. The limitations respecting property and establishment hitherto placed on those available as candidates has been removed.

The introduction of unsigned balloting had a most beneficial result in the direction of lessening corruption, formerly so prevalent. The feeling with regard to this was expressed to me very forcibly by the Marquis Ito during his late visit: "Although it is quite impossible to altogether prevent candidates from spending money to bribe voters," he said, "they no longer can feel secure that those whom they have bribed will vote for them. In the olden times a little money sufficed; now, even the expenditure of very much would not be able to absolutely guarantee victory." Perhaps even more important than the suppression of bribery is the fact that the new law enforcing secret voting does away with any form of intimidation or obligation on the part of the voter.

H'S EXCELLENCY THE MARQUIS HIROBUMI ITO, G.C.B., etc., etc.

The recent elections passed off very satisfactorily throughout the Empire, with the exception of a few localities where excessive rains had brought about traffic-stopping floods. Most of the candidates and their followers worked hard in their various constituencies, but there was marked decrease of violent and objectionable scenes.

It is no exaggeration to say that the election was the most enlightened that Japan has ever witnessed. With a few minor exceptions, it was almost free from any illegal inducements, bribery, corruption, coercion, or violence. This improvement was partly owing to the prohibition, under pain of severe penalties, of bribery or intimidation, but also largely to the growth in the political common sense and moral standing of the constituencies.

It may not be without interest to have a picture of the method of voting under the new law, and to contrast it with the method in vogue in the older countries of the world. The most important point in the new law was secrecy, and to this end the following procedure was carried out. Each voter presented a voting paper—previously sent to him by the district office—to an officer seated at the entrance of the voting place, and received in exchange a piece of paper giving the number of his arrival. The voter then passed to a waiting-room until his turn should have come to vote. The scenes in these waiting-rooms, where some sixty or seventy persons were gathered together, were most interesting to observe. While all the voters conversed together, it was a remarkable fact that the question of how they were going to vote was left severely alone. From the waiting-room, voter after voter was called to record his vote. Each man, when he arrived in the voting place, presented himself before the recorder's desk, and declared his name and address; these were checked with the voters' list, and then he had to affix his stamp under his own name in the list. The voter then received a voting paper, on which he wrote the name of the candidate for whom he wished to vote. This was done at special tables, carefully shielded, so that there might be no chance of one voter overseeing what the others were writing. As soon as the name had been filled in, the paper was thrown into the sealed ballot box before the returning officer, and the business was terminated.

It was, perhaps, fortunate that the Government, under Count Katsura, took no part or side in the elections. It was enabled to stand perfectly neutral, interfering in no way between the various parties, owing to the fact that it owes its position to no definite party. In this respect also the election of 1902 stands out brilliantly from among many of those preceding it, when the governmental interference stained deeply the history of constitutional government in Japan. The Katsura Cabinet is certainly entitled to some praise for the smooth way in which the election has passed off under the control of the new law.

The result of the elections gave to the Marquis Ito's party, the Rikken-sei-yu-kai (the constitutional political association), a preponderating majority in the House with some 170 members. The Progressive Party, under Count Ckuma's able leadership, secured some 100 odd members. The aggregate of members is 376, and the eighty or so, not adhering to the two great parties, are split up in various little groups, and one larger neutral group. While everybody expected that the Sei-yu-kai would secure a majority, there had been occurrences which led many to doubt whether the party would be

able to gain so many seats. Mr. Hoshi's death deprived the party of a prominent manager, and there were many who prophesied that the party would begin to disintegrate. That these prophecies have been proved false is largely due to the influence which the Marquis Ito has been able to exercise since his return to Japan.

The new House contains many members who are undergraduates of the Imperial Universities, and who

H.E. MARQUIS ARITOMO YAMAGATA.

are therefore better qualified for the task of legislation than have been many of the members of the past Parliaments. There are many lawyers and over a score of journalists among the new members. One of the most important of these latter is to be found in the person of Mr. Akiyama, the editor of the "Niroku Shimpo," a Tokyo paper appealing to the popular tastes, and devoting much of its space to social propaganda. It was this paper which organised the first labour day demonstration of Japan. There is the possibility of a great career before Mr. Akiyama, and doubtless he will devote much of his energy to securing improved factory legislation.

Mr. Kato, late Minister of Foreign Affairs, who preceded Viscount Hayashi as Japanese Minister to the Court of St. James; Mr. Hatoyama, late Vice-Minister of Foreign Affairs—his wife one of the most progressive of Japanese women—who is one of the leaders of the Progressive Party, both have secured seats in the House. Among other notable members are two ex-Cabinet Ministers, Mr. Hara and Mr. Matsuda, formerly holding the Portfolios of Cummunications and of Education; Mr. Ozaki, a leader of Marquis Ito's party; Mr. Inukai, a leader of Count Okuma's party; and Mr. Kataoka, late President of the Lower House. These few names will give some idea of the new class of men who are now prepared to give their time to their country; and it is a hopeful sign that the tide of constitutionalism has turned towards sane and rational government.

So much for the elections themselves. Now to glance at what the results are likely to be. To the Cabinet the elections are not likely to bring any changes. Count Katsura formed his Cabinet independently of any party, and exists only on sufferance of the Sei-yu-kai and the House of Peers. At best the present Cabinet is but a stopgap, and it will remain in power just so long as it can continue to be successful without running directly counter to the wishes of either of its supporters. So far the Cabinet has done well. The English alliance is credited to it; there is a surplus in the exchequer; the increased taxation laws, rushed through at the time of the Boxer troubles, remain in force, and will, with the undiminished land tax, bring in a surplus of some 20 millions of yen a year—sufficient for the new scheme of naval expansion. It was originally designed to reduce the land tax, and at one time it seemed as if the Cabinet were to find a hidden and disastrous rock in this question; but wiser councils enabled a compromise to be arrived at, and now everything seems to be smooth sailing. All this, of course, until it shall please the Marquis Ito to return to office. At present, however, the Sei-yu-kai has no objections to using the Katsura Cabinet to rake its chestnuts from the fire of political controversy.

In Japan the members are elected for four years, and since the Marquis Ito's party have such a great majority, and have therefore at least a chance of continuing in veiled or actual power for four years, it is most necessary here in England to know the platform of the Sei-yu-kai, and from this what their actions may be expected to be. Marquis Ito's address on the occasion of the formation of his political party gives a comprehensive idea of this. The principles upon which he proposed to shape the policy of his followers were nine in number.

"1. We propose to strictly observe the Constitution of the Empire, and, in accordance with its provisions, to secure the successful operation of the

H.E. COUNT SHIGENOBU OKUMA.

sovereign power, so that the important affairs of State may be properly conducted, and, further, that the rights and liberties of individual subjects may be sufficiently preserved and safeguarded.

"2. We make it our aim to advance the prosperity and position of the country, and to promote its civilisation, in strict obedience to, and in whole-

hearted support and furtherance of, that grand Imperial policy inaugurated at the time of the Restoration.

"3. Desirous as we are to secure the harmonious working of the administrative machinery, and to preserve the equity and justice of its action, we propose to use scrupulous vigilance in the appointment of officials; to avoid useless formalities in the transaction of official business; to clearly define and rigidly exact the performance of the duties and responsibilities attaching to the various official positions; to maintain strict discipline among public functionaries; and to secure such despatch and precision in the conduct of business as are required by the country.

"4. Attaching, as we do, high importance to the foreign intercourse of the Empire, we will use our best endeavours to cultivate good relations with the Treaty Powers, and guard the welfare of all foreigners sojourning within the Empire, by extending to them the benefits of such enlightened government as is requisite for every well-regulated community.

"5. Recognising, as we do, the necessity of completing the defences of the country in accordance with the march of events at home and abroad, we propose to secure, within limits sanctioned by the national resources, effective protection for the national rights and interests.

"6. Being desirous of placing the strength of the country on a sure and solid basis, we propose to encourage and promote education and to foster the personal character of the people, so that their moral and intellectual qualities may be so developed as to enable them to fulfil satisfactorily the duties they owe to the State in their private and public capacities.

"7. We make it our object to strengthen the economic basis of national life by encouraging agricultural and industrial enterprises, by promoting navigation and commerce, and by completing the various means of communication.

"8. We propose to direct our efforts towards the realisation of the object of local self-government, so that the communal units may be knit together in such a way as to secure social and economic harmony among them.

"9. Keenly aware, as we are, of the serious responsibilities which a political party owes to the State, we will strive to shape our actions in accordance with the requirements of public interest, and always endeavour, in the spirit of self-admonition, to guard ourselves against falling into the old evils and abuses."

When this address was issued, it was felt by many, and with a certain amount of reason, that these principles were too high for the majority of the members of the party, however easy of fulfilment they might be to the Marquis himself. Since then, however, things have changed considerably, and the level of intelligent comprehension and political *savoir faire* has risen immensely.

In April of this year the Marquis Ito issued to his party a manifesto dealing especially with the general election. This manifesto, even more than the older address, may be taken as a representation of the views of the Sei-yu-kai—that is, of the party controlling the Government for the next few years.

After calling attention to the increased international importance of Japan, the Marquis continues: "All seeming progress, all progress which is incompatible with the actual economic means of the people, is sure to end in disaster. Our party should, therefore, pay especial attention, firstly to the principles of economy and efficiency in the management of public affairs, and secondly to the augmentation of the material resources of the country. Our party should, therefore, devote special attention to the question of the education and the moral elevation of the people, and should, in consequence, make it a point to carefully study all plans of reform which are likely to improve the efficiency of our national system of education. In short, intellectual civilisation and material strength are the only means by which we can ensure the permanent attainment of our object, which is, and has always been, 'Peace with honour abroad, progress with order at home.'"

The Marquis Ito closes his manifesto thus: "Above all, I exhort you to remember that we must always place the national interests before the transient interests of a political party."

In addition to this manifesto, the Marquis gave a general injunction concerning the position of Cabinet Ministers. He has always held that Ministers of the Crown are appointed by the Emperor, and that, so long as they enjoy His Majesty's confidence, they are beyond the reach of party disturbance. Even when members of a political party obtain portfolios, they should cease to owe any allegiance in that position to the party with which they are connected.

As yet, Japan is undoubtedly unready for purely party government. The so-called parties at present existing are mere personal factions whose devotion to their great leaders bind them together. There is no question of varying political platforms as we understand them, and there can be none in a country where all are working for the same ends, and are ready to sink every private interest to forward the general good of the nation. The Marquis Ito deprecates most strongly the practice of giving pledges to electorates to pursue a desired and definite policy in the Diet. The policy of a party, he holds, must be determined in accordance with the requirements of the country at large, not in accordance with those of an electorate.

There is every hope that the present House may have a very creditable future before it. The improved class of members, and the fact that the predominant party has risen sufficiently to enable them to appreciate the ideas of the Marquis, are both very hopeful signs. Should, however, these hopes not be realised, Japan has always the satisfactory feeling that there exists a permanent check upon the House of Representatives in the House of Peers. In this latter, hereditary nobles, nobles specially created by the Emperor, and those chosen from the highest taxpayers, meet together, and represent much that is best in the nation. The peers are never lacking in the patriotism that is the pride of every Japanese man, and are also actuated in all their actions by the deepest respect for the Will of the Emperor.

A. STEAD.

JAPANESE FINANCE.

Municipal Loans.

Japan has come for the third time into the London market in the course of a few months, and has for the third time been successful. The lists for the Osaka City Harbour Construction Bonds—3,500,000 yen, in 6 per cent. bonds, at 99—were closed before the advertised time, and I understand that the amount was easily covered. The previous issues were the Yokohama City Waterworks Six per Cents. and the Japanese Government Five per Cents. Of the three securities, that of Osaka City was by far the least attractive, and it is to be feared that its success was less due to the intrinsic merits of the loan than to the general popularity of Japan at the present moment. It is my duty to point out to the advisers of the Japanese municipalities that loans like that of Osaka will not, as a rule, be successful in London, for the simple reason that they do not carry with them any tangible security either for interest or redemption. The Japanese Government are in no way responsible, and if the municipality chose to suspend payment, the British stockholder would have no remedy at all. The fault is not with Japanese credit, but with the law. As foreigners are not allowed to hold land in the country, they can have no lien on corporate property, and they depend solely on the honesty of their debtors. No one for a moment supposes that the Japanese municipal authorities are less trustworthy than similar authorities elsewhere, but it is not satisfactory for a creditor to depend solely on the good faith of his debtor. He wants a security upon which, if necessary, he can sue in the courts. The right of foreigners to hold land in Japan, and to hold valid mortgages on land, must be established beyond question before the British investor will look favourably upon Japanese municipal investments. Japan wants money badly for internal development, and the British investor is quite willing to supply it, provided that he is satisfied as to the security. The matter is in the hands of the Japanese Government, and it is in their power to loose the strings of British money-bags by amending their laws. It will be a great mistake to suppose that the success of the Yokohama and Osaka loans is any evidence that legal security can be dispensed with.

Japanese Local Government.

The foundation of the local financial system in Japan was first laid by the promulgation of the Prefectural Assembly regulations and the Local Tax regulations in 1875, but the system was expanded and modified by subsequent regulations in 1888 and 1890. According to the regulations now in force, the expenditures of local governments are defrayed, in the first place, out of the receipts arising from their properties, fees, and other miscellaneous incomes. In case the revenue from these sources is insufficient, local taxes are levied upon the resolution of the respective local assemblies, subject to the approval of the Ministers of Home Affairs and of Finance, according to the nature of the case. The items of prefectural taxation allowed by law are: additional tax upon land tax not exceeding one-third of the latter, business tax, and sundry taxes, house rate. The items of taxes of cities, towns, and villages are: additional taxes upon those levied by the State or prefectures, and special taxes, direct or indirect. For the year 1901-2 the total revenue of all the prefectures was 49,919,917 yen, of which 39,072,165 yen was derived from rates; and the expenditure was 49,891,958 yen. The loans of Japanese local authorities have to be approved by the Ministers of Home Affairs and of Finance in respect of amount, interest, and redemption; but the approval of Ministers is not required for temporary loans redeemable within three years or less. The total indebtedness of the local authorities at the end of 1901-2 was 40,707,972 yen, of which 7,520,166 yen represented loans redeemable within three years. As the total revenue of all the local bodies is about 150,000,000 yen, it will be observed that the debts are very small. The margin for further loans, more especially remunerative loans, is ample, provided that precautions are taken to give a lender a legal status.

"Financial and Economic Annual, 1902."

The Department of Finance has just issued the second volume of the "Financial Annual," of which the first number was published in July of last year. The work is in English, and, though based upon our well-known "Statistical Abstract," is a great improvement upon its model. Not only is it produced much more smartly than we are accustomed in this country to get out Government publications, but there is a quantity of explanatory letterpress, which adds materially to the value and handiness of the book. The details given of the Budget for 1902-3 are specially clear, and enable one to understand fully the distinction between ordinary and extraordinary revenue and expenditure. The chaos which we groan over in the British Imperial Budget is largely caused by the lumping together of revenue and loan expenditure; there is no proper distinction between revenue and capital accounts. But the Japanese

Total value of Specie and Bullion exported from and imported into Japan during September, 1902, with comparison to corresponding period of the previous year.

	September.		Nine months ending September.	
	1902.	1901.	1902.	1901.
Exports.	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Gold coin & gold bullion	80,240	24,326	387,821	7,576,110
Silver coin & silver bullion	165,856	189,985	878,308	2,191,707
Total...	246,096	214,311	1,266,129	9,767,817
Imports.				
Gold coin & gold bullion	2,756,386	2,229,436	13,212,138	8,198,815
Silver coin & silver bullion	10,374	9,144	1,726,145	197,872
Total	2,766,760	2,238,580	14,938,283	8,396,687
Excess of exports ...	.....	.....	.....	1,371,131
,, ,, imports ...	2,520,664	2,024,269	13,672,154	.....

Budget, like the Russian Budget—which is a model of arrangement—is altogether free from confusion. The total ordinary revenue for 1902-3 is estimated at 226,114,613 yen, an increase of 24,362,251 yen over the actual revenue for 1901-2. This increase is partly due to the increased rate of tax on *saké*, a new tax on beer, a new excise for sugar, and some changes in the Customs tariff. The total ordinary expenditure for 1902-3 is estimated at 177,596,966 yen, an increase over the actual expenditure for 1901-2 of 17,233,385 yen. The greater part of this advance is due to the redemption of public loans. The extraordinary revenue for 1902-3 is estimated at 56,318,351 yen, a decrease of 9,075,114 yen as compared with 1901-2; and the total extraordinary expenditure is 104,156,229 yen, a decrease of 2,337,012 yen. In order to make these details convenient for reference, I have arranged them in the following table:—.

REVENUE.

	1902-3. Yen.	1901-2. Yen.
Ordinary	226,114,613	201,752,362
Extraordinary	56,318,351	65,393,465
Total	282,432,964	267,145,827

EXPENDITURE.

	1902-3. Yen.	1901-2. Yen.
Ordinary	177,596,966	160,363,583
Extraordinary	104,156,229	106,493,241
Total	281,753,195	266,856,824

The most important feature about the Budget is the large surplus on the ordinary revenue, and the manner in which nearly half the extraordinary, or capital, expenditure is met out of ordinary revenue. This is the secret of sound finance, and it is to be hoped that the Japanese will continue to set a good example in this respect.

YEN.

THE YOKOHAMA SPECIE BANK.

NOTWITHSTANDING the absence of the large bonus distributions which marked the half-yearly reports of 1897 and 1899, the report of the Yokohama Specie Bank for the first six months of the present year is of a highly encouraging character. The dividend, at the rate of 13 per cent. paid for the period covered by the report compares with similar distributions for some years past. The gross profits for the six months show an increase of 800,700 yen compared with the first half of last year, of which only 732,600 yen has been absorbed by increased current expenses. A very handsome reserve fund has been built up with the addition of 200,000 yen now made, that item being raised to 8,910,000 yen. A sum of 100,000 yen is set aside as a special reserve to provide for the depreciation of the silver funds. The amount carried forward is somewhat less than in 1901.

THE total amount of capital invested in Japanese railways is 276,800,000 yen. Of this amount, 85,500,000 yen represents the capitalisation of State lines.

JAPANESE CONSULAR REPORTS.

MIDDLESBROUGH.

WE have received from Mr. Waynman Dixon, M.J.S., H.I.J.M., Honorary Consulat, Middlesbrough, a copy of the fourth annual report dealing with the trade of Middlesbrough and district for the year 1901. In glancing through this report—abstracts from which are given below—we are quickly impressed with the fact that the Japanese Government have in Mr. Consul Dixon not only an exceedingly able representative in the generally accepted sense, but one who is fully alive to the assistance which the Consular service should render to the commercial community—an example which might well be followed by some of our own representatives abroad. In his report Mr. Dixon draws particular attention to many of the principal manufactures and industries in the district covered by the report which offer an opening for increased commerce with Japan. There are regular fortnightly sailings of the steamers of the N.Y.K. and P. and O. for Japan, as well as frequent sailings of steamers belonging to the Glen Line, British India Company, and others. The trade from Middlesbrough to Japan during the period under review amounted to 121,486 tons register. Dealing with the very great improvements which are continually being made at this important centre in the way of shipping facilities, mention is made of the work now in progress for enlarging the Middlesbrough docks. The new additions, which are estimated will cost about £700,000, include a new dock entrance 80 ft. wide, having a depth of water on the sill at high-water spring tides of 35 ft. 9 in. The area of the dock will be nearly doubled, with a safe working depth of 33 ft. A very complete system of hydraulic machinery will work the gates and bridges, made by Sir W. G. Armstrong, Whitworth, and Co., and there will be about fifty powerful electric cranes and capstans, as well as coal-hoists, for the rapid loading and bunkering of the largest type of modern steamers. Already great progress has been made with the works, and they may be expected to be completed in the course of next year.

Dock Accommodation.

A very large expenditure is being incurred at most of the large iron and steel works to remodel their furnaces and plant, and thus keep them abreast of the latest practice whereby the largest output can be obtained at the lowest cost. This is being done in spite, or perhaps because, of the very decided falling off from the boom in trade generally which characterised its condition in the years 1899 and 1900. The staple trade of this district, which is especially concerned with iron and steel manufacture, showed a continuous downward movement during the whole twelve months, and, as regards volume, business was the poorest that has been experienced since 1895, while prices at the close of the year were back to what was being charged in the early part of 1898. The production of pig iron also shows a falling off, the figures being 2,800,000 tons, as against 3,109,594 tons for 1900.

Iron and Steel Trade.

Cleveland, of which Middlesbrough is the trade centre

—raises two-fifths of all the ironstone obtained from the whole of the mines of the United Kingdom, and the Cleveland total in 1901 was above 5,000,000 tons. The imports of iron ore into the ports on the north-east coast, mostly from Spain, fell from 2,456,513 tons in 1899 to 1,887,360 tons; but the very large reduction in quantity of rich foreign ore imported is to a large extent accounted for by the reduced demand consequent upon the perfecting of a process whereby steel of high quality for any purpose is now being made from the ordinary Cleveland ironstone, instead of from the imported hematite iron, and at a much reduced cost. It is anticipated that this district will be less dependent in the future upon other countries for ore for steel-making than it has been before. Hitherto steel made from Cleveland iron could only be utilised for the manufacture of rails; but now plates, angles, and sectional steel, which pass Lloyd's highest tests for shipbuilding and other processes, can be, and are being, produced from it.

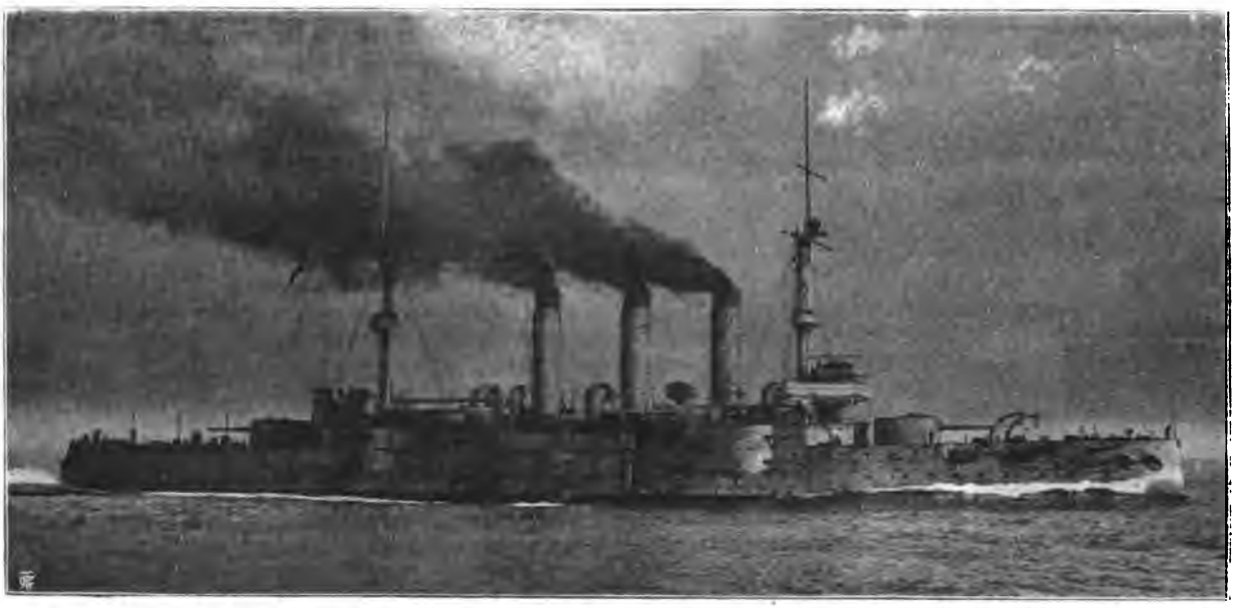
Ironstone Mining.

A good deal is also being done by the ironmasters to secure economy in the production of pig iron, and greater efficiency in the working of their furnaces. Some of the leading firms no longer have their coke manufactured at the collieries, but the coal is brought from the pits to the ovens erected close to the iron works, and it is there converted into coke. Electric hoists and other forms of plant have been erected at the more important works, and further progress is being made in utilisation of the waste gases. At all the works these gases are employed in raising steam, but at the Ormesby Ironworks the latest system adopted, and with success, is to clean the gas and use it direct in working the blowing engines.

Economy in Manufacture.

The total shipments of pig iron from Middlesbrough during 1901 declined to 1,061,870 tons from 1,346,055 tons in 1899, which was the largest on record. Of this, 560,271 tons were shipped coastwise, and only 501,599 tons over-sea, compared with 847,246 tons shipped over-sea in 1899. The reason of this falling off of over-sea shipments appears to have been the severe depression of trade on the Continent of Europe, especially in Germany, whose imports of Cleveland iron declined from 549,120 tons in 1900 to 253,560 tons —or less than half the quantity—in 1901. Deliveries of pig iron direct from Middlesbrough to Japan show an increase, but the published returns still fall short of the figures for 1896 and 1897. The published figures give 17,953 tons shipped last year, as against 28,300 tons in 1896; but this does not represent the total quantity of Cleveland pig iron that has been supplied to Japan in any year, for a portion of the iron shipped to London has really been in transit to Japanese ports, and another considerable portion is shipped to Hamburg for transhipment there. The delusive character of many published Board of Trade returns could not better be illustrated than by the following. The official record is only 17,953 tons for last year, whereas Messrs. Walker, Maynard, and Co., Limited, alone exported to Japan 28,595 tons of their "Redcar" brand of pig iron. This figure is almost double their last year's quantity, and is the best they have done for many years, showing how highly this particular brand is appreciated in Japan. Shipments of steel show an increase as compared with 1900, the figures being 193,793 tons and 169,793 tons respectively. Exports of manufactured iron and steel to Japan were less satisfactory than in 1900, and a long way behind 1897, when prices were much lower. This appears to show that the extra high prices of the most recent years have checked the demand from Japan, but it is to be hoped that the now rapidly falling prices will again resuscitate this. It is to be noted that only India and South Africa took

Shipments of Steel and Iron from the Port.



Built by *Messrs Armstrong, Whitworth and Co. Ltd.*

H.I.J.M. ARMOURED CRUISER 'IWATE."

a larger quantity than Japan of manufactured iron and steel.

The most important matter in connection with the local steel trade—1,300,000 tons of steel being produced in the district annually—in the past year or two has been the working out to a scientific and commercial success of a process to produce, from Cleveland ordinary iron, steel of a quality that can be utilised for all and any purposes to which hematite steel is applied. This achievement has been attained by Messrs. Bell Brothers, Limited (Clarence Steel Works), and the process has been adopted at Messrs. Dorman, Long, and Co.'s works, at which two establishments there had been produced up to the end of 1901 by this process no less than 100,000 tons, all of which has been rolled into angles, sections, joists, girders, etc., which have passed Lloyd's survey tests where required, and given complete satisfaction to consumers in subsequent manufacture into ships, bridges, etc.

New Steel-making Process.

Prices in all branches of the iron and steel trade declined steadily during the year, and while in the last month of 1900 the average quotation for No. 3 Cleveland pig iron was 55s. 1d. per ton, in the corresponding period of 1901 it was only 43s. 3d. This compares with 77s. 8d. in 1900. The attention of Japanese consumers is called to this enormous reduction as a favourable moment at which to place orders. The prices of manufactured iron and steel showed a severe decline, but not so heavy as in pig iron. The following table shows the prices of iron and steel for the years 1900 and 1901:—

Iron and Steel Prices.

	Maximum Prices in 1900.	Dec., 1901.	Decrease from Maximum
	£ s. d.	£ s. d.	£ s. d.
No. 3 Cleveland Pig Iron ...	3 19 0	2 3 6	1 15 6
Common Iron Bars	9 10 0	6 5 0	3 5 0
Iron Ship Plates	8 10 0	6 7 6	2 2 6
Steel Ship Plates	8 7 6	5 17 6	2 10 0
Heavy Steel Rails	7 15 0	5 10 0	2 5 0

Shipbuilding in 1901 did not suffer from depression to anything like the same extent as the iron and steel trades, and the tonnage of the vessels launched was very little short of that of the previous year's, which was the best year on record. The total amount of shipping launched in the United Kingdom during 1901 was 1,797,675 tons, as compared with 1,658,776 tons in 1900, and 1,730,382 tons in 1899. Of this total, the output of the Clyde was 534,734 tons, and of the north-east coast 968,000 tons. Middlesbrough's figures were 60,245 tons, against 61,925 tons in 1900, of which Sir Raylton Dixon and Co., Limited, launched 25,609 tons. No merchant steamers were built in the United Kingdom for Japan in 1901, for, notwithstanding the encouragement given by the Japanese Government to shipbuilding enterprise, and its liberal subsidies, shipbuilders of the north-east coast can still compare favourably as to price and rapidity of delivery.

Ship Building.

Within the period covered by the report, the eminent firm of Armstrong, Whitworth, and Co., Limited, built at their Elswick shipyard, for the Imperial Japanese Navy, the armoured cruiser "Iwate" (an illustration of which is given on this page), of 9,770 tons displacement, 14,500 horse-power, giving a speed of 21.74 knots, and the whole of the armament was supplied by them. The most notable feature in this branch of industry during the past two years, over which this portion of the report extends, has been the amalgamation of the two eminent marine engineering firms of Sir Thos. Richardson and Sons, and Sir Christopher Furness, Westgarth, and Co., under the title of Richardsons, Westgarth, and Co., Limited. The new firm has splendid engine works, equipped with most modern appliances, at both Hartlepool and Middlesbrough, as well as a branch establishment at Sunderland. This firm, during 1900, turned out marine engines of 89,000 horse-power, and also a number of large blowing engines for blast furnaces, pumping engines, electric driving machinery. Their latest development is in the building at Middlesbrough of huge blowing engines to be driven direct by the "waste gases" from the blast furnaces. The firm also make a speciality of condensing plants for electric stations, iron and steel works, and other factories. They also build a large number of Blake's patent vertical multitubular donkey boilers. The firm of Messrs. Robert Stephenson and Co., Limited, the oldest locomotive builders in the world, in 1900 removed from Newcastle to Darlington, the birthplace of the British railway system. Their new works are equipped with the very latest machinery and tools, driven by electric power, and cover an area of 22½ acres, five of which are covered by the shops. The capacity of the works at present is seventy-two main-line engines and tenders, and about thirty additional boilers, per annum.

Engine Building.

Locomotive Engine Building.

In alluding to the great capacity for rapid delivery, and the high character of the work turned out by the above-mentioned firm, Mr. Dixon expresses the hope that there may arise an increased demand in Japan for these locomotives, which are so easily shipped aboard the N.Y.K. steamers at the port of Middlesbrough. It is to be regretted, continues the report, that when a considerable inquiry was in the market, at the close of last year for Japan, this firm were not invited to tender. Probably the facilities and improved methods of the above-named new works were not officially known in Japan. Both in the matter of price and rapidity of delivery, they can stand well in any competition. Although the original price quoted by American, Belgian, or German locomotive [the order for thirty locomotives referred to above, as stated in our last issue, was placed with a German firm.—Ed.] engine builders may be considerably less, yet it is an established fact that the quality of materials used and the highest class of finish is very superior in the English-built locomotives, and, moreover, the coal consumption is proved to be nearly 25 per cent. less, and the durability very much greater; so that the slightly higher price of the English-built engine is very soon more than compensated for by their cheaper working.

The Tees-side Bridge and Engineering Works, Limited, have already done considerable business with Japan. They built and shipped to Hiogo a 14-inch rolling mill for bar iron, and have in recent years done a very large trade in China, having supplied the whole of the plant and machinery

Constructional Steel Works.

for the steel and iron works near Hankow, comprising blast furnaces, rolling mills, Bessemer and Siemens-Martin plant, with foundries and shops complete. Amongst the specialities of this firm are the construction of railway bridge work, pier work, Custom-houses, and other buildings for workshops, factories, shipyards, etc., where steel girders enter so largely into modern construction. All this work is so accurately fitted at the place of construction that only unskilled labour is needed to erect it. Messrs. Head, Wrightson, and Co., Limited, at Thornaby-on-Tees, have also done a large amount of bridge work for Japan during the past two years, including 500 tons of steel plate girder bridges for the Omi railways, and 1,725 tons of the same for the Imperial Government railways. The above orders consist of bridges varying from 20 ft. to 80 ft. length of span. Other important contracts include bridges for South Africa, Egypt, and many other foreign countries. Another speciality of this firm is the construction of colliery plant of the very latest improved type, and for which machinery they possess several valuable patents and improvements for lifting, hauling, screening, and cleaning the coal as it comes from the pits. They are also large makers of the Teesdale pulley blocks, so very useful in the lifting and holding in suspension of weights from ½ to 5 tons. There will undoubtedly be a large demand for this description of plant in connection with the rapidly extending coal trade of Japan. The Cleveland Bridge and Engineering Company, Limited, have recently taken the contract to build the new high-level railway bridge at Newcastle, which will be one of the largest bridges in the United Kingdom. They also build all descriptions of lighter bridges which would be suitable for the new railway extensions in Japan.

Steel Castings.

The Darlington Forge Company, Limited, make forgings or steel casting up to 50 tons weight, and Messrs. W. Shaw and Co. produce a large output of smaller steel castings of every description from a few pounds in weight up to 8 tons. The principal articles produced by them which are likely to be required in Japan are castings for dredgers, such as buckets, wheels and tumblers, etc., also those used in connection with general engineering, shipbuilding, and the manufacture of railway plant, and those required in mines, collieries, ironworks, etc., etc.

Electric Plant, etc., etc.

There are several eminent firms of electrical machinery makers in and about Middlesbrough producing driving engines, dynamos, motors, electric lighting plant, etc. One firm, Messrs. D. Selby, Bigge, and Co., of Newcastle, shipped to Japan last year twenty electric motors, complete with all accessories, ready for coupling to machinery in one of your dockyards, as well as motors of a combined force of about 300 1-horse-power for a shipyard in Japan. There are also many large concerns who undertake the supply of all descriptions of ironwork necessary for complete gasworks, including retort mouthpieces and retort bench fittings, hydraulic and foul mains, scrubbers and condensers, purifiers, washers, sulphate of ammonia plant, etc., up to gasholders of enormous capacity. Messrs. Ashmore, Benson, Pease, and Co., Limited, of Stockton, are the principal makers in these parts, and, owing to their proximity to the port of Middlesbrough, are particularly well situated for exportation to Japan, by the N.Y.K. or other steamers. Other specialities mentioned are cast-iron and other piping, of which Messrs. Cochrane and Co. are the principal makers. The Anderston Foundry Company, Limited, make smaller pipes, as well as railway sleepers, points and crossings, etc. Wrought-iron pipes and steel tubes and fittings are made by Messrs. Crewdson, Hardy, and Co., Limited. All description of iron and steel wire are made by Richard Hill and Co., Limited, and Messrs. Dorman, Long, and Co., who have a speciality for barbed wire fencing. Large quantities of galvanised and corrugated sheets for iron roofing and building, steel strips and nail rods, special tool steel, and general iron foundries are also produced in this district.

One of the principal factors in the mineral wealth of Middlesbrough is the wonderful natural bed of rock salt, which, at a depth of 1,100 ft. to 1,700 ft. below the surface, extends over an area of at least ten square miles. The brine is pumped to the surface and evaporated in several cases by the waste heat from our ironworks and blast furnaces. Nearly 200,000 tons of salt was produced in 1901.

As to other chemicals, tar products are made largely by Messrs. Sadler and Co., Limited, the North-Eastern Steel Company, Limited, and others; but the only item exported to Japan in the past two years has been sulphate of ammonia. This business has been principally done through British agents, but the trade could be largely increased by direct communication from any buyers' agents in Japan. The North-Eastern Steel Company, Limited, as one of the by-products from their works, make over 1,100 tons per week of manure from basic slag, which is ground extremely fine, containing phosphoric acid equal to 40-45 per cent. tri-basic phosphate of lime.

In concluding his report, Mr. Dixon ventures to suggest that the trade between Great Britain and Japan is as yet only in its infancy, and ought to be immensely extended in the future; and in order to help towards this development, he states that he will always be glad to have inquiries from any business men or firms in Japan, and to put them in direct communication with the proper parties.

FOLLOWING are the names of the recently-elected members of the Japan Society. These include the name of one honorary member, Baron A. Von Siebold, I.J. Legation (retired). The others are: Mr. Hideo Kodama ("Hogakushi"), L L.B. (Tokyo), Japanese Financial Representative in London; Mr. Yukichi Obata, Attaché, I.J. Legation; Mr. Sankichi Komura, manager of Messrs. Mitsui's London office; Mr. G. F. Swaki; Sir Vincent H. P. Caillard, President National Bank of Egypt; Sir Horace Brooks Marshall, L.D., Alderman Sir John C. Bell, Sir T. H. Brooke-Hitching, Messrs. Harold Cox Bompas, LL.D., Jos. D. Langton, Geo. Skelton Yuill, John Sollie Henry, J. F. MaCartney, M.E., Christian Moslé, John C. Nicholson, and S. M. Franck; Mrs. H. R. Chamberlain, Mrs. E. A. Liddell, and Mrs. C. E. Moritz. Mr. W. M. Cabot, Curator of the Japanese Department of the Museum of Fine Arts, Boston, U.S.A., and Mr. F. E. de Ramos, of Santa Cruz, Canary Islands, have been elected corresponding members.

NOTICE.

THE ANGLO-JAPANESE GAZETTE *will be published on the 15th of each month. The Annual Subscription is 7s. (3½ yen), payable in advance, post free at home and abroad. Cheques, P.O.O., &c., should be made payable to "The Manager," and crossed "The Hong-Kong and Shanghai Banking Corporation."*

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Any correspondence intended for insertion in the GAZETTE *should be accompanied by the name and address of the writer, not necessarily for publication, but as a guarantee of good faith. No notice whatever will be paid to anonymous correspondence.*

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GENERAL NOTES.

THE following remarks anent the so-called technical representatives of British manufacturers in Japan, written by a Japanese resident in London, should prove of interest to many of our readers, especially when so much publicity has been, and is being, given to the subject of the integrity and honesty of the Japanese trader. Our correspondent has had many years' experience in commercial houses both at home and in London, and his opinions should therefore prove all the more valuable. He says: "There are in Japan a number of individuals who term themselves "technical representatives," a few of them being remarkable. Mostly they are English, but I recall two or three cases of Japanese acting in the same line. They generally represent more than one firm, and sometimes more than a dozen. The origination of this can be traced to a commercial circular occasionally sent out to Japan to some new resident there with a request to look after, from time to time, the interests of the firm sending the circular.

Technical Representation.

"THE idea was, no doubt, a capital one, and there are no two opinions that they did a great deal of aid to the improvement of business between England and Japan, so long as they truly understood their real situation. But, as in everything, this practice begins to show its demerit of late. The more they get accustomed with the atmosphere of Japan, the less they find themselves contented with their situation as technical representatives only. They feel inclined to undertake business in their own hands. They write to the manufacturers to take the steps to bring them into close touch with consumers or buyers, whatever they may be, or they meddle with merchants in various transactions. They pick up their friends, and cultivate intercourse, and take their liking to some in preference to others; in short, they cannot remain quiet to mind their own business.

"As the world advances, it seems to be an unavoidable tendency that the producer approaches inch by inch to the consumer, and *vice versâ*, driving merchants to starve from want of business. But under the present stage of Japanese business, it is advantageous for English manufacturers to resist the tendency for some time to come. Local colour and business custom characteristic to Japan are not clearly understood by most of English manufacturers, and it will often lead them to mistakes, should they merely rely upon the reports received from their representatives. It will be a wise and safe policy for firms, therefore, to use them simply as technical representatives, and avoid running the risk of doing business through them. There are several commission merchants, both English and Japanese, worthy of their confidence. These houses will willingly take trouble to push on their business if properly arranged. The direct transaction of manufacturers with the final buyer is not the thing much to be approved of so far as the present is concerned."

WITHOUT any intention of harking back to the announcement made in our last issue respecting the award by the Japanese Government of a contract for thirty locomotives to a German firm—the accuracy of which statement was for a moment doubted by an esteemed shipping contemporary – it is interesting to note what steady progress has been maintained by German firms in the export of locomotives during the last few years. Taking the three years 1899, 1900, and 1901, the value of locomotives and traction engines exported amounted to £538,000, £747,325, and £1,051,500 respectively. These figures go to prove the energy displayed by the German manufacturers in securing foreign trade.

THE value of merchandise imported into the United Kingdom from Japan for the three months ending September last amounted to £367,894, bringing the total for the first three quarters of the present year to £1,508,035. The amounts for the corresponding periods in the previous year were £471,817 and £1,423,196 respectively. Exports amounted to £1,550,516, as against £1,287,497, making the total value of exports for the nine months £3,926,307, or a decrease of £1,918,605 as compared with the first three quarters last year.

MR. K. NABESHIMA, First Secretary of the Legation, who has been staying at Eastbourne for some time on account of a protracted illness, is now convalescent, and will leave for Japan on an early date to recuperate.

THE rumour that the Bank of Japan intends to carry out the further lowering of its rate of interest, for the third time this year, is endorsed by Japanese banking officials here. Speaking on the question of the further reduction, the "Asahi" says: "So long as the Bank of Japan is a business institution, perhaps it will be inevitable that it should shape its course according to circumstances; but an establishment like the Nippon Ginko, which is the national organ of circulation, should take national welfare as well as its own well-being into consideration. Already the bank has twice lowered its interest since the spring, and however much money there may be lying idle in its vaults, it is desirable that the bank should carefully consider the consequences before it commits itself to the reported course. One of the principal reasons to which we wish to draw the attention of the bank, continues our contemporary, is the uncertain result of the rice crop this year. Of course, much depends upon the condition of the weather in the next few weeks, but it would be safe to estimate the shortage of the crop at 10 per cent.; and if this deficiency is to be supplied by the import of foreign rice, we will have to pay more than 40 million yen for it. Whether it will become necessary for Japan to import such a large quantity of rice, or the crop will turn out better than expected, will be known in a month's time. It will, therefore, be more prudent for the Bank of Japan to defer the reported lowering of interest until something definite is known as to the rice crop."

THE report that tramways were assured in Shanghai was not generally credited when it reached London. Inquiries made by a representative of the "Anglo-Japanese Gazette" at the Brush Electrical Engineering Company's works at Lambeth, however, elicited that such is now, after months of agitating and waiting, a fact, and that the work will be at once proceeded with.

PREVIOUS to reading Professor Lafcadio Hearn's interesting paper, which is dealt with elsewhere in this issue, Mr. Diósy took some pains to explain to the members that the professor was not, as is the general belief throughout this country and the United States, an American. As a matter of fact, he was a British-born Japanese subject. He was born in 1850 at Leucadia, in the Ionian Islands, of Irish and Greek parentage—a mixture which had undoubtedly much to do with his insight and sympathy. He went to America when he was nineteen years old, and it was in America that most of his works had been published; hence the delusion.

RATHER an amusing incident was occasioned by Mr. Diósy, who, on encountering a poem in the vernacular, turned to Mr. Ukita, Hon. Sec. of the Japan Society, and Chancellor to the Japanese Legation, and asked him to read the poetry, in order, as Mr. Diósy put it, to give its reading the proper inflections. Not but what Mr. Diósy could have done justice to the lines himself, for he is an excellent Japanese scholar; but those who know him will readily recognise that the invitation was intended as a graceful compliment both to Mr. Ukita and the many Japanese members present. MR. UKITA read the lines in a low, musical voice, very pleasing to the ears of those unacquainted with the soft intonations of the Oriental tongue; and when he had finished, he gave it as his opinion that the diarist who wrote the verses must have been a person of much culture to produce such graceful verses.

AT the conclusion of the reading, Mr. R. A. McLean, F.R.G.S., and member of Council J.S., in praising the paper, said that it provided an excellent example of the various phases of daily life of the poorer classes living in Tokyo. A vote of thanks to Professor Hearn, and to Mr. Diósy for the able way he had rendered the reading, was proposed by Sir Vincent Caillard, M.J.S., and seconded by Mr. E. J. Horniman, L.C.C. and M.J.S.

AMONG the 350 persons present at the reading of Professor Hearn's paper was Mrs. Buckley Atkinson, a half-sister of the celebrated *literateur*.

THE recent list of birthday honours so generously bestowed by the King included, as is by no means unusual, the names of several prominent members of the Japan Society. Among these were Mr. Sheriff Thomas Brooke-Hitching, who received a knighthood; Sir J. J. Trevor Lawrence, Bart., one of the Society's vice-presidents, who has been made a K.C.V.O.; the late Lord Mayor, Sir Joseph Dimsdale, who becomes a P.C. and a K.C.V.O.; the Commendatore de Martino, marine painter to the King, has been invested with a C.V.O.; and Mr. J. C. Hall, H.B.M. Consul at Kobé, was made a Companion of the New Imperial Service Order. Of the honours conferred upon H.I.H. Vice-Admiral Prince Arisugawa, General H.I.H. Akihito, Prince Komatzu, and other distinguished Japanese personages, most of whom are honorary members of the Japan Society, mention is made in another column.

BY some curious typographical error, Mr. Zumoto, in the course of the interview which appeared in our last issue, is made to refer to Yezo as being the former name for Kiushu. This reference should, of course, have followed the remarks relating to Hokkaido. Again, on page 76, that wonderful invention, the typesetting machine, leads us to speak of Nicholson, Goswell Works, Stratford. This should read Messrs. Jansen and Nicholson. To both Mr. Zumoto and Messrs. Jansen and Nicholson we tender our apologies.

HONOURS FOR OUR JAPANESE ALLIES.

THE King has been graciously pleased to direct that the following promotions in, and appointments to, the following Most Honourable Orders: To be Honorary G.C.M.G.: His Excellency Count Matsugata, formerly Prime Minister of Japan. G.C.B.'s: His Imperial Highness Prince Arisugawa, and General H.I.H. Akihito, Prince of Komatzu. K.C.B.'s: Admiral Iguin, Imperial Japanese Navy, and Major-General Fukushima Imperial Japanese Army. C.B.: Lieut.-Colonel Shiba, also of the Imperial Japanese Army.

PROF. DR. DAI. H.E. VISCOUNT INABA. MR. CONSUL LONGFORD. BREVET-MAJOR PEACH. GEN. SIR ALFRED GASELEE, K.C.B., &c.

H.E. VISCOUNT NAGAYASU NIWA. MAJOR-GEN. FUKUSHIMA, K.C.B. REAR-ADMIRAL INOUYE, A.D.C. LIEUT.-COL. SHIBA, C.B.

Prince Arisugawa, G.C.B., is the fourth son of Prince Takahito and the present representative of the House of Arisugawa No Miya. He was born the 13th of the first month of the second year of Bunkyu (1862), and is

a Rear-Admiral in the Imperial Japanese Navy, and was decorated in 1866 with the Grand Order of Merit and Grand Insignia of Imperial Chrysanthemum. The house was founded by Prince Yoshihito, seventh son of the Emperor Go-Yozei, who reigned thirty-three years

Grand Order of Merit, is a Councillor of the Bureau of Decorations, Commander of the General Staff of the Imperial Japanese Army, and is President of the Japan Red Cross Society. He was born on the 16th of the first month, of the third year of Kokwa (1846), and is an

MR. ROBERT FOLLETT SYNGE, C.M.G.

MAJOR IGIMI, A.D.C.

LIEUT.-COL. KUROSAWA, A.D.C

H.I.H. AKIHITO, PRINCE OF KOMATZU, G.C.B.

H.E. BARON YOSHITANE SANNOMIYA.

H.E. THE MARQUIS TAKAMARO NAKAYAMA.

MR. SEIGO NAGASAKI.

Photo by Lafayette.

—1578 to 1611. Prince Arisugawa came to England for the late Queen's jubilee.

General H.I.H. Akihito, Prince of Komatzu, G.C.B., son of Prince Fushimi Kuniiye, who is invested with the uncle of the Emperor. In 1895 he proceeded to Port Arthur as Commander-in-Chief of the expedition to China, and was Japan's Special Ambassador to this country for the Coronation.

A PEEP AT LIFE IN JAPAN.

Being Extracts from the Diary of a Woman of the People.

OVER THREE HUNDRED AND FIFTY members of the Japan Society and their friends filled the large hall at 20, Hanover Square, W., on Wednesday evening, the 12th inst, and the interest manifested by the many present bore witness once more to the gratifying state of activity of the Society, the average attendance of the meetings being considerably in excess of those of the other learned societies of the metropolis.

Mr. Charles Holme, F.L.S., Hon. Sec. J.S., occupied the chair, and Mr. Arthur Diósy, F.R.G.S., Chairman of Council J.S., read a paper entitled "A Woman's Tragedy," by Professor Lafcadio Hearn, of the University of Tokyo, Hon. M.J.S. Mr. Diósy said he esteemed it an honour indeed to have the privilege of being the mouthpiece of their distinguished honorary member, who would be better known to the Japanese members by his Japanese name—Koidsumi Yakumo. To those who had read his delightful books he need say no more, but to those who had not, he advised them to hasten to do so. What he was about to read, he said, was fact—absolutely sober fact; but he shared, in common with Mr. Hearn, the belief that no one not really familiar with the life of Japan could fully understand the simple history.

"A Woman's Tragedy" is in reality a diary which was kept with religious regularity by what Mr. Hearn describes as a "shy and gentle woman," who suddenly became the wife of a total stranger, and about whose character she knew absolutely nothing. In explanation of this, the writer, at the end of his paper, says—and, indeed, it might have served for a preface:

A majority of Japanese marriages are arranged for in the matter-of-fact way here described, and with the aid of *nakado;* but the circumstances, in this particular case, were exceptionally discomforting. The explanation is pathetically simple. To remain unmarried after a certain age is a shame and a reproach. The dread of such reproach, doubtless, impelled the writer of the diary to snatch at the first offer. She was already twenty-nine years old; another such chance might never offer itself. To me the chief significance of this humble confession of struggle and failure is not in the utterance of anything exceptional, but in the expression of something as common to Japanese life as blue air and sunshine. The brave resolve of the woman to win affection by docility and by faultless performance of duty, her gratitude for every small kindness, her childlike piety, her supreme unselfishness, her Buddhist interpretation of suffering as the penalty for some fault committed in a previous life, her attempts to write poetry when her heart was breaking—all this, indeed, I find touching. But I do not find it exceptional. The traits revealed are typical—typical of the moral nature of the woman of the people. Perhaps there are not many Japanese women of the same humble class who could express their personal joy and pain in a record at once so artless and pathetic; but there are millions of such women inheriting—from ages and ages of unquestioning faith—a like conception of life as duty, and an equal capacity of unselfish attachment.

At the outset Mr. Hearn explains that the manuscript was lent to him, with permission to translate it, by a friend, and that he gladly availed himself of the unique opportunity to present in English the thoughts and feelings, joys and sorrows, of a simple woman of the people—just as she herself recorded them, in the frankest possible way, never dreaming that any foreign eye would read her humble and touching memoir. The diarist died before the manuscript was given to Mr. Hearn, and that gentleman feelingly says with reference to it:

Out of respect to her gentle ghost, I have tried to use the manuscript in such a way only as could not cause her the least pain if she were yet in the body, and able to read me. Some parts I have omitted, because I thought them sacred, also others relating to customs or to local beliefs that the Western reader could scarcely understand, even with the aid of notes. And the names, of course, have been changed. Otherwise, I have followed the text as closely as I could, making no changes of phrase, except where the Japanese original could not be adequately interpreted by a literal rendering. In addition to the facts stated or suggested in the diary itself, I could learn very little of the writer's personal history. She was a woman of the poorest class. Her husband was a kozukai (doorkeeper and messenger) employed in one of the great public offices, at a salary of ten yen per month. In order to help him to meet the expenses of housekeeping, she made cigarettes for a tobacco dealer.

The manuscript was inscribed with the title, "Mukashi-banashi: A Story of Old Times." Someone might naturally ask why this poor woman, so much occupied with the constant struggle for mere existence, should have taken the pains to write down what she probably never intended to be read. Mr. Hearn reminds such a questioner of the old Japanese teaching that literary composition is the best medicine for sorrow, and also of the fact that, even among the poorest classes, poems are still composed upon all occasions of joy or pain. And now for some extracts from the manuscript:

The Man of the Opposite House.

On the evening of the twenty-fifth day of the ninth month of the twenty-eighth year of Meiji (1895), the man of the opposite house came and asked:

"As for the eldest daughter of this family, is it agreeable that she be disposed of in marriage?" The answer given was: "Even though the matter were agreeable to our wishes, no preparation for such an event has yet been made."

The man "of the opposite house" was acting as *nakodo*, or matchmaker, in the interest of a widower who wished to re-marry. By the statement, "no preparation has been made," the father conveyed the meaning that he was unable to provide for his daughter's marriage, and could not furnish her with clothing, furniture, etc., as required by custom.

The man of the opposite house said: "But as no preparation is needed in this case, will you not honourably give her to the person for whom I ask? He is said to be a very steady man, and he is thirty-eight years of age. As I thought your eldest girl to be about twenty-six, I proposed her to him."

"No, she is twenty-nine years old," was answered.

"Ah! that being the case, I must again speak to the other party; and I shall honourably consult with you after I have seen him."

Next evening this "man of the opposite house" turned up again, accompanied with the wife of a "friend of the family," locally called "*Okada-Shi*," and declared the other party to be satisfied, and pressed his

friend's suit. The father was agreeable, so the betrothal promise was given on both sides. The diarist then goes on to relate how the person of the opposite house wanted her to honourably accompany him the next evening to the house of Okada; but she preferred to go alone with her mother, "as from the time of taking such a first step one could not either retreat or advance."

Snatch your Luck where you Find It.

When I went with mother to the house, we were welcomed with the words, "Kochari ë!" and my future husband greeted me for the first time. Then Okada-Shi said to Namiki-Shi: "Now that you have nobody to consult with at home, would it not be well for you to snatch your luck where you find it, as the proverb says, 'Zen wa isogé'?" The answer was: "As for me, I am well satisfied, but I do not know what the feeling may be on the other side."

"If it be honourably deigned to take me as it is honourably known that I am," I said; in other words: "I am ready to become your wife, if you are willing to take me as you have been informed that I am—a poor girl without money or clothes."

Matters having progressed smoothly so far, the match-maker, who evidently knew his business, asked what would be a good day for the wedding, whereupon the bridegroom-elect (Namiki-Shi) answered, "Though I can be at home to-morrow, perhaps the first day of the tenth month would be a better day?" But Okada-Shi, being a practical woman, did not favour any delay. The wedding was therefore arranged to take place the following day.

The wedding ceremony of the *sansan-kudo-no-kazuki* (thrice-three-nine-times-wine-cup) having been performed, and the time of the *o-hiraki* (honourable blossoming) having come more quickly than was expected, the guests depart. At a Japanese wedding it is customary to avoid the use of any words to which an unlucky signification attaches, or of any words suggesting misfortune in even an indirect way. Accordingly the term *o-hiraki* (honourable blossoming) has long been euphemistically substituted for the term *oitoma* (honourable leave-taking). Very soon after Namiki's father-in-law visits her, and tells her that Namiki-Shi was really a good man—a moral, steady man; but as he was very particular about small matters, and inclined to find fault, he advises her to always be careful to try and please him. This advice, however, would seem not to have been necessary, for the woman had already determined to discipline herself to the will of her husband.

I had been carefully watching my husband's ways, and I resolved to so conduct myself in all matters as never to cross his will. On the day for our *satogaëri* (the first visit of a bride to her parents after marriage), and for the first time we went out together, calling on Goto (her brother) on the way. Suddenly the weather became bad, and it began to rain. Then we borrowed a paper umbrella, which we used as an aigasa.

Aigasa, Mr. Diósy explained, is a fantastic term signifying one umbrella used by two persons—especially lovers: an umbrella of loving accord. To understand the wife's anxiety about being seen walking with her husband under the borrowed umbrella, one must know that it is not yet considered decorous for wife and husband even to walk side by side in public. A newly-wedded pair, using a single umbrella in this way, would be particularly liable to have jeers made at their expense.

The festival of the *Suga-jinja* is spent at her father's house. Late in the evening her husband arrives, wearing the new kimono she had made for him.

There was one thing that made me very glad. Often when he and I were to go out together, I had proposed that we should put on the new spring robes that I had made, but he had as often refused, preferring to wear his old *kimono*. Now, however, he wore the new one, having felt obliged to put it on because of father's invitation.

The party celebrated the gathering by composing each a few lines of poetry, which is a Japanese custom on such occasions. The paper then pathetically records the birth and premature death of three children successively, but, as I have more than exceeded the space at my disposal, I must—though most unwillingly—refrain from more than this bare reference to them.

JOHN LEONARD.

SYLLABUS OF TWELFTH SESSION (1902-1903) OF THE JAPAN SOCIETY.

Ordinary Meetings will be held in the Society's Rooms, 20, Hanover Square, W., at 8.30 p.m. The meetings of the Council are held on the 1st Wednesday in each month.

Wednesday, December, 10th—"Some Japanese Artists of To-day," by John H. Dixon, J.P., F.S.A., M.J.S.

1903.

Wednesday, January 14th—"The Dawn of Western Influence in Japan," by Wilson Crewdson, M.A., F.S.A., Member of Council, J.S.

Wednesday, February 11th—"The Finances of Japan," by R. A. McLean, F.R.G.S., Member of Council J.S.

Wednesday, March 11th—"Some Features of Japanese Architecture," by F. Yeats Edwards, Member of Council J.S.

Wednesday, April 8th—"A Gossip on Japanese Art," by M. Tomkinson, D.L., J.P., F.R.G.S., Member of Council J.S.

Wednesday, May 13th—"Some Striking Female Personalities in Japanese History," by T. Hamaguchi, B A. (Cantab), M.J.S.

Wednesday, June 10th—Annual General Meeting. After which a Paper "In Memory of Will Adams, the first Englishman in Japan," will be read by A. Diósy, F.R.G.S., Chairman of Council J.S.

It is intended to hold a Conversazione during the Session, the date and other particulars of which will be duly announced in our columns.

Twelfth Annual Dinner—Thursday, May 7th, in the Whitehall Rooms, Hôtel Metropole, His Excellency The Viscount Hayashi, LL.D., D.C.L., President J.S., in the Chair.

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CHINA'S OPPORTUNITY.

China Waking Up.

By D. Uchiyama, M.J.S.

The last war was indisputably an object-lesson to China, for which she paid dearly. She has since then begun to open her eyes, and no stone is at present left unturned in the way of improving her national integrity, both commercial and political. The safety of the Chinese Empire and the soundness of peace within its walls means the general peace of the Far East. It is most gratifying to every nation to recognise her recent attitude, so earnest in bettering the conditions of the country, which have been neglected, from many reasons, for a long time. Among the chief causes, anybody would count, without any fear, her scorn of adopting the Western civilisation.

Look at Japan! The great changes which have taken place have been carried out at a tremendous speed, to the world's surprise. Japan copied the best part of all the civilised countries, and modified it, more or less, to suit her own conditions.

Why does not China follow the example of Japan? The clever copy is far better than the bad original.

Chinese Students in Japan.

Being closely situated, to begin with, China sent out hundreds of young men to Japan to have them educated in the schools of various branches. It is a record-breaking fact that China should have taken such a decided step. By the Chinese, Japan was looked upon as one of her pupil nations. Now the course is reversed. Unfortunately, owing to the trouble which has arisen between the Chinese Minister to Japan and the Chinese students, the latter were called back to their own country to put an end to the matter. Whatever the cause of the trouble may be, it is very regretful that such a hitch happened. It will bring a lot of opposition against the step, thus resulting in failure. China is a country subject to many wirepullers. Good feeling of China toward Japan never does escape the envy of greedy other countries.

Sending Chinese Students to Europe.

I understand on good authority that some responsible persons in China think there is nothing worth learning in Japan for Chinese. Japan is herself still in the stage of a pupil of the West. It is much better to send the promising youth to Europe with the view of widening their horizon, to make them useful to their country in after-life. It sounds logical to the casual observer, but second thought will soon enable people to see the thing in different light, and will prove the fallacy of the reasoning.

Speciality of Japan.

Everybody will admit that nearly all nations have more or less claim on Japan of the tuition, because Japan picked up here and there the excellent points without prejudice to any particular country. For example, naval tactics from Great Britain, military training from Germany, some of her laws from France, business and general commercial knowledge from the United States, and so forth. To tell the truth, the civilisation of Japan is not a mere copy of that of other countries, but their own.

European powers have inherited hatred against each other, historically and politically; while Japan, being exempt from such feelings, was quite free in taking the best type of all. The national character of Japanese requires deep study of Chinese. Things Japanese also must be carefully studied by them. Japan took the model of literature and religion, etc., from China, direct and indirect, by bygone times. Therefore there is a good deal of similarity in many things between the two countries. We need not be wise in finding the advantage for Chinese to turn their best attention toward Japan, and to know what is going on in the neighbouring sister country. For the execution of the errand, the best means is to have many young men thoroughly educated in Japan on respective subjects. That Japan is a pupil of European countries does by no means kill this fact. I do not mean Japan is the only place for Chinese to send young men for receiving education; but if they consider it quite useless, or speak rather in a tone of contempt, it is a grand mistake. The feeling, which is not at all correct, must be immediately wiped out for the successful opening of the Chinese Empire, which is just on foot.

Conclusion.

China is now on the right track. Be pushing, and do not be afraid of doing the justice. If too late to reform China of the present, try to reform China of the future. Promising young men of China, wake up! Do not lock up yourselves in your own country! See what other people are doing, as much as you can!

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The excessive emigration of Chinamen of no means does more harm than good. It is not too late to make up the spoiled name of "Chinamen," and to enhance the situation. Send out men of means, men of culture, men of power, and men of youth, to all quarters of the world, to amass useful knowledge to serve to their country. In Japan there is a multitude of things to be picked up as a model. There is no logic to despise Japan on account of her being a pupil of the Western civilised countries, to use their expression. Do you not know the pupil sometimes excels the tutor?

D. U.

TAI-WAN.
(Formosa.*)

Its Financial and Economic Position.

By Dr. Shimpei Goto
(Civil Governor of Formosa).

Grave doubts were entertained seven years ago, when Formosa, as a result of the Japan-China War, became part of the Japanese Empire, concerning the economic future of the new colony. Not merely were unfavourable opinions hazarded very freely in Europe and America regarding the value to Japan of this new territory, but the Japanese people were known themselves to entertain to a considerable extent these pessimistic views. Let us ascertain how far the colonising power has since that date been able to carry out its plans for civilising the inhabitants and bringing the newly-acquired property into line with other divisions of the Empire.

Japan's Responsibilities.

Briefly, the home Government had to provide for the islands a stable form of government, to enforce improved sanitary arrangements, to introduce an equitable system of land taxation, to provide for the education of the natives, and to undertake beneficial public works. Lines of railway had to be constructed, suitable buildings erected for the housing of officials and the transaction of Government business, harbours had to be dredged and improved in the interests of the foreign and domestic trade, and a cadastre for the entire group of islands became absolutely necessary as a basis for the nationalisation of the land and the assessment of the most important tax. Banking and monetary systems had likewise to be provided for the new colony.

That such an extensive programme could be carried out in its entirety within a decade or two was not, of course, to be expected; but much has been done already, and provision has been made for the execution of such tasks as remain unfulfilled.

The Formosan Government, in fact, has laid out, since the islands came under the Sovereignty of Japan, no less a sum than £3,072,000 on railways, telegraphs, harbour improvements, and other undertakings of a character directly to benefit the public.

Leaving out of the calculation the military outlay, which has now been curtailed to very modest dimensions, by reason of the pacific condition of the islands, and which may be accepted as the direct outcome of a salutary civil administration, we have a total expenditure upon Formosa by the Imperial Government, in seven years, of £9,786,000.

The revenues of the islands, on the other hand, have in the same period of time amounted to £5,930,000.

This sum, plus a subsidy aggregating 2½ millions sterling, and a loan of £1,300,000, sufficed to balance accounts.

It should be noted, however, that both subsidy and loan were almost exclusively applied to the prosecution of public works, as hereafter specified, and the money, instead of being regarded as expenditure incurred without prospect of adequate return, ought properly to be considered as capital well and profitably invested for the good of the inhabitants.

General Financial Policy.

The Governor-General, Baron Kodama; in December, 1898, introduced in the Diet at Tokio a programme for the execution of public undertakings to extend over a period of twenty years, together with a project for establishing Government monopolies in the three principal industries of Formosa.

After considerable discussion, the proposals passed into law, and they embody the provision of a trunk line of railway extending from North to South of Formosa,

* Formosa, for the purposes of this essay, may be taken to include Hokoto, in the Pescadores and adjacent islets (some seventy-six in all). The total area of the group is 15,535 square miles, with a population of 2,758,161, including 33,120 Japanese. Twelve months previously the inhabitants was 2,665,511. These figures afford some indication of the colonys' rapid growth.

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the cadastration of the lands, the construction of harbours, particularly at Keelung, and the building of suitable Government offices and official residences. To meet the cost of these several undertakings, the Diet authorised the Colonial Government of Formosa to raise loans to the amount of 3½ millions sterling, the principal and interest to be paid out of the revenues of the islands.

The estimated expenditures were:—

Upon improving the existing railway system and extending it to form a complete trunk line	£2,880,000
Harbour works at Keelung	200,000
The cadastration of lands	300,000
Building of Government offices and residences	120,000
	£3,500,000

Public Works.

Railways.

According to the original programme of 1898, the railways were to be completed within ten years, but the work of construction is not likely to consume much more than half that period. Part of the system is already open for traffic, and is affording complete satisfaction; the revenue accruing therefrom is larger than was even anticipated. Needless to say, the railway is proving itself to be a potent stimulant to industry of all kinds, and is becoming the prime factor in the general development of Tai-Wan under Japanese rule.

Cadastration.

The preparation of the "Doomsday Book" of Formosa proceeds apace. This, together with a census of the population, were indispensable to an equitable system of taxation and to the effective administration of the colony. The cadastre was begun in 1899, and is based on accurate trigonometrical survey. It should be finished this year. This important public work is a source of genuine satisfaction to the public of Tai-Wan, who recognise that it will afford means to secure rights of landed property, and of clearly defining boundaries, and will, by rendering transfer feasible, raise the actual value of the holdings. It was deemed impossible by the Chinese owners of Tai-Wan to carry out such a project, and the welcome which has been everywhere accorded the Japanese officials entrusted with the survey is a clear proof of the excellent impression that they have made upon the original inhabitants by fairness and urbanity in the discharge of their duties. The revision of the Land Tax, in those cases in which the survey has been finished, has already resulted is a considerable net gain to the Colonial Exchequer.

Harbour Works.

The dredging of Keelung Harbour alone has been taken into account in the item of £200,000 included in the proposed expenditure under the loan sanctioned in 1898, but it is intended later on to complete the works by constructing a breakwater, piers, embankment, docks, and warehouses, and generally to improve the town of Keelung, the projected outlay upon which will form the subject of another application to the Diet. Keelung is designed to be the chief port of Formosa, and its harbour accommodation will have to be adequate to the requirements of a rapidly growing industry and extensive commerce.

Tamsui and Takao Harbours will be taken in hand in due course.

Government Buildings.

The old and ill-regulated edifices left by the Chinese were thoroughly unfit for the accommodation of officials under a new *régime*. More especially were they deficient in all sanitary arrangements. Hence it became a matter of necessity to erect suitable offices and residences with all speed. Prisons had to be provided in various places, upon the model of the advanced penal system that now obtains in Japan proper. Many of the new buildings have been completed, and are now occupied, the Government houses at Tai-peh, for the use of the Governor-General and the Civil Governor of Formosa respectively, both being handsome and commodious structures.

Monopolies.

Opium—Salt—Camphor.

The monopolies to be created were in opium, salt, and camphor. It goes without saying that the habit of opium-smoking is pernicious; but when the Japanese took possession of Formosa, they found there a population more or less addicted to the use of the drug. It was decided to abolish the practice by degrees. Only those who have already suffered from its effects to the extent

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that it occasions intense pain to deprive them of the pipe are now permitted, by a special warrant which they are obliged to procure, to continue the use thereof. To newly commence opium-smoking is strictly forbidden, or even to continue it unless it can be shown that abstention is impossible. The Government monopoly of the article was expressly established to facilitate the final extinction of the habit of using it. The revenue thus derived amounts at present to about £400,000 a year.

The Foreign Trade of Taiwan (Formosa) for September, 1902, with comparison to corresponding period of the previous year.

	September.		Nine months ending September.	
	1902.	1901.	1902.	1901.
	Yen	*Yen.*	*Yen.*	*Yen.*
Exports	1,689,365	1,036,420	10,833,721	6,645,858
Imports	821,571	1,403,636	7,417,118	9,810,613
Total	2,510,936	2,440,056	18,250,839	16,456,471
Excess of exports ...	867,794	...	3,416,603	...
„ „ imports...	...	367,216	...	3,164,755
Exports, specie and bullion	11,450	79,042	550,172	1,270,091
Imports, specie and bullion	382,740	147,284	3,716,531	859,082
Excess of exports ...	...	...	...	411,009
Excess of imports ...	371,290	68,242	3,166,359	...

In the southern portions of the island of Formosa salt is obtained in considerable quantities by solar evaporation of sea-water. The Chinese, when they owned the colony, always favoured an official monopoly of its production; but Count Kabayama, the first Japanese Governor-General, thought it not right to perpetuate the system, and wished to set free the manufacture of a commodity so necessary to human existence. But he speedily discovered that, instead of the abolition of the monopoly giving rise to a beneficial development of the industry under private enterprise, many of the salt fields were purposely destroyed, and a sort of "corner" was created, with an alarming rise in the market price. Baron Kodama re-established the monopoly, but on an improved basis, and, production having been encouraged, Formosa now actually exports salt to the Mother Country. The revenue is from £70,000 to £80,000 per annum, and it will doubtless increase.

Formosa supplies almost the whole world with camphor, but when Japan took the island the industry was in a precarious state. Camphor trees were cut down with an utter disregard of consequences; the crudest processes were employed in manufacture. So a Government monopoly was established, with the triple object of protecting the trees, improving the method of production, and placing the industry upon a secure footing. The world's consumption of camphor is computed to be about eight millions of pounds' weight per annum, and the production of Formosa is regulated accordingly. The yearly yield to the revenue is about £400,000, so that opium, salt, and camphor together bring to the Government a total profit of about £875,000 a year.

(*To be continued.*)

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GREAT BRITAIN AND JAPAN.

FROM AN INDUSTRIAL AND ECONOMIC POINT OF VIEW.

IV.—Japan's Opportunity.

THE consideration of Japan from an industrial point of view must necessarily involve a certain amount of what may seem to be unpractical speculation. With such a country, in the transitional condition in which Japan is at present, this attitude is compulsory, because it is a case in which new powers are being stored up, which have not yet received their directions for application. The argument with which I closed my previous article was to the effect that Japan had a great future before it as a textile manufacturer and exporter, and this is one of the instances in which we may draw an analogy between Great Britain and Japan. Neither, at the present time, are producers of the raw materials, except in regard to silk, of which, of course, the Oriental country is a producer and exporter; but the economic conditions governing the production of raw silk will always stand in the way of its manufacture becoming a staple industry of any country. It could never become an industry of large proportions, because it is one which provides for the few, and not the many; and Japan, like every other which has aspired to, and has, become a prominent manufacturing nation, must have as its basis an industry which caters for the masses, and not the classes. It has been the great good fortune, if we may so term it, of Great Britain that she has been adapted by Nature for the supply of universally required commodities in coal, iron, and steel, and has further supplemented these by industries which have provided goods of world-wide requirement. We are frequently twitted with being slow and unenterprising. Certainly we are not so showy in our methods as some of our competitors have to be, but what other country can point to so many main industries of extensive proportions as we possess, or can show anything approaching the achievements which the old country has placed to her record in the way of supplementing its large

Table Showing the Export Trade of Japan.

UP TO AND INCLUDING SEPTEMBER, 1902, AS COMPARED WITH THE CORRESPONDING PERIOD IN 1901.

EXPORTS.	September, 1902.	September, 1901.	Nine Months, 1902.	Nine Months, 1901.
MANUFACTURED ARTICLES.	*Yen*	*Yen*	*Yen*	*Yen*
Silk tissues, habutae	2,074,720	2,431,439	17,710,867	16,333,866
„ „ kaiki	128,556	104.119	1,722,505	482,358
Silk handkerchiefs	260,941	348,317	2,633,188	3,231,128
Cotton tissues	523,996	660,013	4,254,722	3,730,597
Carpets, hemp or cotton	39,522	35,516	477,512	508,424
Matches	711,874	592,233	6,097,052	5,329,828
Mats and mattings, Hanagoza	915,827	328,189	4,957,165	3,233,628
Porcelain and earthenware	259,605	230,478	1,870,630	1,876,776
Lacquered ware	66,665	73,083	682,496	785,440
Umbrellas, European	27,957	22,342	941,644	901,337
Others	1,810,007	1,451,986	13,669,145	11,024,388
Total	6,819,670	6,277,715	55,016,926	47,437,770
MANUFACTURED ARTICLES, HALF WROUGHT.				
Silk, raw	11,125,282	6,590,094	47,648,194	50,683,970
„ noshi and waste	697,897	442,662	3,063,994	2,263,773
Cotton yarns	1,205,956	1,358,776	12,455,731	15,552,206
Straw-plaits	289,046	315,471	1,890,713	2,222,628
Tea	1,311,361	1,010,030	8,462,028	7,568,017
Camphor	290,909	162,698	2,499,822	3,192,472
Kanten or colle vegetable	62,751	95,784	1,019,495	970,110
Others	962,762	794,861	7,238,937	6,040,242
Total	15,945,964	10,770,376	84,278,914	88,493,418
RAW PRODUCTS.				
Coal	1,104,696	1,392,631	13,033,809	13,161.536
Rice	163,107	89,629	5,743,729	4,912,598
Cuttle-fish	213,168	238,750	1,332,221	1,157,968
Sea-weeds and cut sea-weeds	113,318	186,642	579,921	871,216
Mushroom, shiitake	73,988	73,468	588,215	636,303
Copper, coarse and refined	975,000	1,253,569	7,256,391	10,353,619
Fish oil	201,773	120,361	1,235,091	743,755
Vegetable wax	88,339	31,674	580,207	385,375
Others	1,078,300	1,209,571	8,205,032	9,101,491
Total	4,011,689	4,596,295	38,554,616	41,323,861
Grand total	26,777,323	21,644,386	177,850,456	177,255,049

indigenous industries by several which are absolutely dependent for their upkeep on the raw material obtained from foreign countries? There is none.

Now, in this respect Japan stands in a practically similar position to Great Britain before the supplemental industries were added to her list. The old country grows not an ounce of raw cotton, wool, or silk, and has to rely on America, Egypt, India, Brazil, Australasia, China, Japan, and other countries; and except for silk, as I have said, Japan is in pretty much the same position industrially. Geographically, to the sources of supply her position is in several respects far more enviable. In the matter of cotton, however, so far as the vast American crop is concerned, her situation is less favourable, the distance being over three times that to England. But cotton culture in the British East Indies is developing, and although the description of cotton is finer, and therefore less suitable for general use. than the American, the cultivation of a coarser fibre in China, or in Japan itself, might be effected. As, however, the markets for the finished goods would be close at hand, the long distance over which the raw material would have to be carried might to a certain degree be compensated for, especially when it is remembered that Japanese labour would be cheap. And in this connection, it may be mentioned, Japanese labour would be very suitable to textile manufacture, being a class of work for which the Japanese are readily adaptable; in fact, it should come more natural and congenial than any other work. What an opening there is for cotton manufactures in the Orient is very clearly seen in the fact that no less than between 50 and 60 million pounds worth of goods leave this country every year, and that of this 25 million pounds worth goes to the British East Indies and China. To begin with, however, Japan would find a large home demand to provide for, as she takes from us close on a million pounds sterling worth of cotton goods.

Table Showing the Import Trade of Japan.

UP TO AND INCLUDING SEPTEMBER, 1902, AS COMPARED WITH THE CORRESPONDING PERIOD IN 1901.

IMPORTS.	September, 1902.	September, 1901.	Nine Months, 1902.	Nine Months, 1901.
	Yen.	*Yen*	*Yen*	*Yen*
GROUP I.				
Cotton raw	3,286,749	3,288,549	61,378,864	45,750,609
Cotton yarns	119,867	582,175	1,527,715	3,666,580
Wool	285,674	122,399	2,590,799	2,507,000
Iron nails	106,586	87,338	1,150,677	1,089,766
Rail	173,822	65,840	978,845	1,561,921
Iron, bar and rod	217,906	355,111	2,795,722	2,507,998
Other iron and steel	436,734	576,789	5,256,412	5,068,748
Indigo, dry	238,984	85,954	2,492,939	2,115,769
Paper (except Chinese paper)	397,877	86,077	2,594,813	1,867,678
Leather, sole and other	98,725	104,014	1,038,233	982,226
Machinery and engines	459,947	585,998	4,958,414	9,115,317
Locomotive engines, railway passengers and railway freight	49,292	389,933	2,370,427	2,279,019
Steam vessels	1,000	...	373,706	943,852
Others	3,154,952	2,784,356	25,770,887	26,361,223
Total	9,028,115	9,114,533	115,278,453	105,817,706
GROUP II.				
Mousseline de laine	310,621	340,824	2,332,676	2,636,979
Woollen and worsted cloths	561,136	262,502	1,463,993	1,136,576
Italian cloths	169,586	130,391	854,709	473,668
Flannels	119,863	41,767	404,843	258,984
Shirtings and cotton prints	1,180,026	459,545	7,360,847	3,195,077
Cotton satins and cotton velvets	518,371	163,802	2,179,857	1,683,913
Sugar, brown and white	1,608,666	5,997,517	8,903,625	32,729,211
Watches	15,584	22,252	162,100	339,735
Others	1,334,788	1,161,618	11,038,832	11,275,904
Total	5,808,641	8,580,218	34,703,482	53,730,047
GROUP III.				
Rice	1,720,825	1,352,226	8,399,168	11,107,967
Beans, peas and pulse	310,259	519,752	3,338,493	3,575,065
Kerosene oil	1,255,820	1,942,149	12,433,362	13,502,091
Oil-cake	652,161	1,421,248	7,798,540	6,525,461
Others	1,577,476	1,111,113	12,592,486	10,780,164
Total	5,516,541	6,346,488	44,562,049	45,490,748
Grand total	20,353,297	24,041,239	194,543,984	205,038,501
Total of exports and imports	47,130,620	45,685,625	372,394,440	382,293,550
Excess of exports	6,424,026	...	...	...
,, imports	...	2,396,853	16,693,528	27,783,452

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Now, if Japan could build up a cotton trade, much more favourable are the circumstances attending woollen manufactures. In near neighbourhood is the largest supply of natural wool in the world—viz., Australia and New Zealand, the British East Indies also being a grower; and these same countries are the chief customers for woollen and worsted tissues. Added to these, also, China and the United States take large quantities, while the custom of Japan herself is not insignificant.

We need scarcely, perhaps, labour this portion of the subject further. Enough has been said to indicate the direction into which it seems most natural and profitable that the knowledge and skill which the Japanese are gaining should be turned. To some extent a movement along this line has begun, and it may be that in a few years the looms of Japan will be supplying goods for the near Orient, or, at any rate, providing her own home requirements.

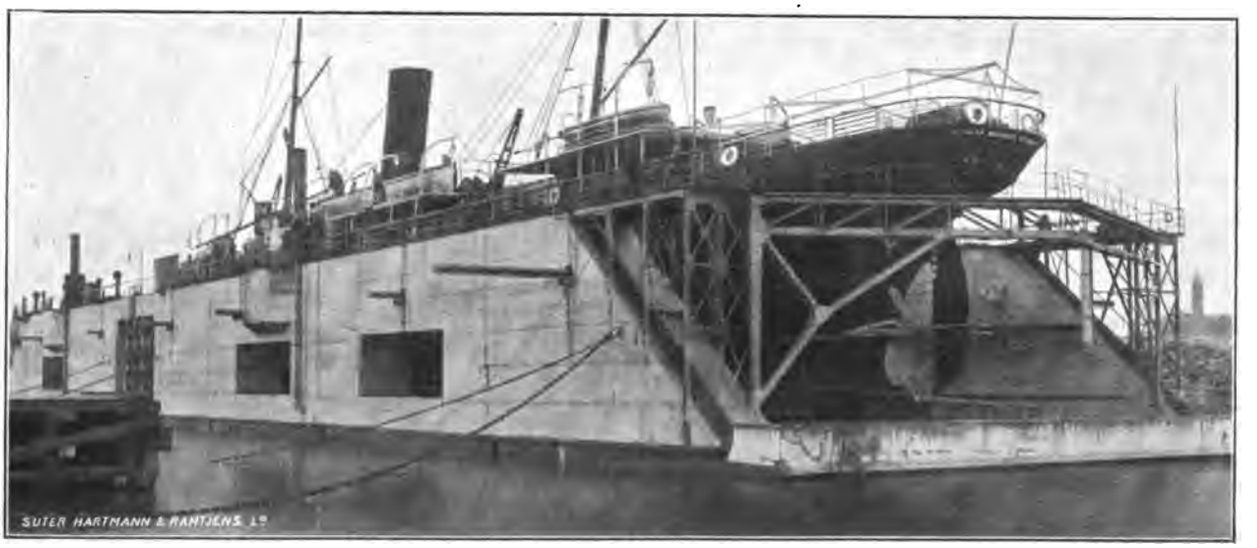
Of course, this argument, not without a basis of reason, works out very unfavourably for Great Britain; but Great Britain—or, rather, the British Empire—has potentialities within it which, if developed, may enable it to bear a certain transference of trade with equanimity, or bring into play competing factors which will adjust matters to the satisfaction of both countries.

S. O.

FLOATING DOCK AT ODESSA.

THE very many advantages which floating docks offer for the rapid handling of vessels needing repairs, painting, etc., and the facility with which such operations can be carried out, at a reasonable tariff, no doubt accounts for their great and increasing popularity. The illustration given above affords an excellent idea of the proportions and general design of the new floating dock at Odessa, belonging to the Russian Steam Navigation Company. The utility of this dock was greatly appreciated recently, when the s.s. "Sviatoi Nicolai" fouled an anchor, which became jammed between a propeller blade and the stern frame, thus disabling her engines. Without this dock, it would have been necessary to have towed the vessel to Sevastopol, entailing delay and heavy expense. The total length of this dock is 381 ft., with a breadth over all of 80 ft., and a clear breadth between the side walls of 63 ft., and draught of 20 ft., with a lifting power of 5,000 tons.

The upper portion of the dock is coated with Hartmann's grey (anti-corrosive) paint, the under-water portions being treated with "Red Hand" brand anti-fouling composition. Both these preparations are made by Messrs. Suter, Hartmann, and Rahtjen's Composition Company, Limited, whose name is legion in shipping circles the world over, and to whom we are indebted for the foregoing particulars.



THE RUSSIAN STEAM NAVIGATION COMPANY'S FLOATING DOCK AT ODESSA.

THE MIDDLESBROUGH UNIVERSITY SOCIETY AND JAPAN.

MIDDLESBROUGH, that go-ahead town known as "Ironopolis," is quite alive to the importance of their trade to Japan, so much facilitated by the regular steam communication with that country by the fine steamships of the N.Y.K. The hard-headed, shrewd Yorkshiremen of Middlesbrough, who are anxious to learn all they can about their customers in Japan, have on two occasions filled the large hall of the Cleveland Literary and Philosophical Society to hear Mr. Arthur Diósy, chairman of Council of the Japan Society, lecture on the "Far East" and "Our Friends in Japan."

This winter the Middlesbrough University Extension Society, taking advantage of the public interest aroused in the locality by these addresses, have arranged, in connection with the authorities of the University of Cambridge, for a course of twelve lectures on "England and her Neighbours in the Far East," to be delivered by Mr. Ian C. Hannah, M.A., of Trinity College, Cambridge, and formerly master of the English school at Tien Tsin, China.

After each lecture there will be an examination on the subjects dealt with, and their range can be, in a measure,

gauged from the following few extracts from the comprehensive syllabus for lectures 9 and 10:

Origin of Japanese shrouded in mystery.

Two prominent characteristics distinguishing the Japanese from all other Asiatics. (1) An extreme and fervent patriotism. (2) Total absence of prejudice against foreign institutions, and desire to make use of any inventions likely to be of service.

Creation of the Japanese Archipelago. Legends of the Divine Age. Shintoism, the National Religion.

Jimmu, the first mortal Emperor, 660-585 B.C.

The dynasty he founded has never been interrupted from that day to this, Mutsuhito being the 122nd of the line.

Reasons which have made this extraordinary dynastic longevity possible;

(1) Extreme reverence of the Japanese for their Emperor.

(2) The fact that for centuries the sovereign was confined in his Palace, with little real authority, but regarded as inviolable by all factions in the State.

Ineffectual attempts to break through the seclusion of Japan.

Rapid Westernisation of the country.

Population of Japan and desire and reasons for Colonial possessions.

War with China, 1894-95. Acquisition of Formosa.

Treaty Revision. Recognition of Japan as a Power, 1899. The Empire at present an essentially occidental State—more European in many ways than several European countries.

Strategic position of Japan. Possession of a chain of islands from Kamchatka to the south of China, dominating the approaches to Asiatic Russia, and cutting the communications between Vladivostock and Port Arthur.

The Anglo-Japanese Alliance.

Mr. Hannah is the author of a useful "Brief History of Eastern Asia," and is particularly well qualified to deal with the important subjects above enumerated.

The Middlesbrough University Extension Society, recognising Mr. Arthur Diósy's services in having been the first person who was instrumental in arousing local interest in Far Eastern matters, invited him to inaugurate the course of lectures by an address of his own, entitled "Our Allies in the Far East." This lecture was delivered on September 30th, and was attended by upwards of 1,400 people.

Since then Mr. Diósy has addressed very large audiences on the same subject at Eccles, Epsom, West Bromwich, Hertford, Coventry, Rhyl, Ulverstone, etc., etc.

Mr. Diósy will also lecture, on the 26th inst., before the Stamford Hill Literary Society; on the 29th, at Brightland's School, Dulwich; on 2nd December, at Dartford, Kent; on the 4th, at Exeter; 9th, at Bradford; on the 15th, before the Philosophical Institution, Edinburgh, and later at Oban.

THE Japanese Budget shows a total revenue of upwards of 258,000,000 yen, and a total expenditure of 262,000,000 yen. It is probable that the Cabinet's programme of naval expansion, combined with an increase in the land tax, will arouse considerable opposition.

EXPORTS FROM THE UNITED KINGDOM TO JAPAN—OCTOBER.

Description.	Value.		Total Value to Date.		Quantities.		Total Quantities to Date.	
	October, 1902.	October, 1901.	1902.	1901.	October, 1902.	October, 1901.	1902.	1901.
	£	£	£	£	lbs.	lbs.	lbs.	lbs.
Cotton yarn—Grey twist ...	4,370	37,856	111,993	380,317	63,200	712,000	2,206,300	6,252,900
Do. do. Bleached and dyed	—	—	549	2,064	—	—	7,900	33,400
					Yards.	Yards.	Yards.	Yards.
Do. Piece goods — Unbleached	31,561	49,958	477,575	314,462	3,442,900	5,421,400	51,445,000	30,410,200
Do. do. Bleached	8,740	11,307	131,563	62,391	765,700	1,133,500	12,726,600	5,492,700
Do. do. Printed..	22,012	8,874	231,425	57,626	1,669,100	798,300	18 916,300	4,506.700
Do. do. Manufactured or dyed	36,883	10,898	337,060	204,761	1,760,900	483,600	15,841,500	8,033,800
Woollen piece goods... ...	13,642	1,461	175,203	104,198	159,000	3,800	1,908.500	1,195,900
Worsted piece goods... ...	15,237	5,027	219,552	113,855	316,000	123,100	4,437,500	2,627,100
					Tons.	Tons.	Tons.	Tons.
Iron—Pig	6,143	4,831	40.623	69 315	2,167	1,800	14,879	25,678
Do. Angle, rod, etc. ...	1,390	3,952	30,841	42,678	141	462	3,208	4,197
Do. and Steel for railroads ...	3,451	270	152,801	32 578	361	15	27,525	5,003
Do. do. sheets, etc. ...	419	1,274	11,376	8,149	57	213	1,281	936
Do. do. hoops ...	262	168	2.072	441	30	26	271	59
Cast and wrought iron ...	13,495	8,440	106.194	110,719	885	574	7,230	9,505
Lead	469	650	17,479	22,945	41	51	1,086	1,193
Machinery (Textile)	10,227	15,196	62,266	117,783	—	—	—	—

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THE ANGLO-JAPANESE GAZETTE

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TAI-WAN.

(Formosa.)

Its Financial and Economic Position.

By DR. SHIMPEI GOTO

(Civil Governor of Formosa).

In Tai-peh, the capital, an entirely modern system of drainage has been introduced, and good drinking water has been secured. The newly-built residences for the Japanese officials have been constructed with special care for sanitation, and the improved health of the staff is indicative of thorough success in this direction having been attained. The mortality among them fell from 4·73 per cent. in 1896 to 1·1 per cent. in 1900.

The Tai-peh Hospital is the largest of eleven already provided, and a regular service of graduates of the Imperial University in medical science, or of specialists who have studied in Europe, has been secured for it. Besides the hospitals, there are no fewer than seventy-two qualified physicians, appointed and paid by the Government to render medical aid to the people, distributed about the island. At Tai-peh, moreover, they have a school for training native physicians, the number of scholars, who are all supported by the Government, exceeding a hundred. The result of the training they receive is said to be in the main satisfactory.

Education.

There was at the outset a pressing need of Japanese officials conversant with the native tongue, and a Central Language School was commenced in Tai-peh in 1896, for the double purpose of teaching the Japanese language to the Formosans, and the native dialects to the Japanese. Students are trained for the duties of teaching in primary schools for native children and for Japanese, the number so studying being at present forty-five. Some native scholars in the upper classes of the language section have been given an elementary technical education, with special reference to the railway and telegraphic services, and the experiment is proving satisfactory. There is likewise a school for native girls. Normal schools are to be found in each of the three principal cities of Tai-peh, Tai-chu, and Tai-nan. Primary schools for native children are distributed all over the island, and at last accounts they numbered 121, with 16,034 pupils.

Banking.

THE BANK OF FORMOSA.

The main objects that the Bank of Formosa was established to serve were, firstly, to act as the central organ

of monetary circulation in Formosa, and, secondly, to promote the economic progress of the island by supplying money for commerce, industry, and public enterprises, and in developing its natural resources, and, thirdly, to remedy the then unsystematic state of the money market there.

It was contemplated, moreover, to extend its operations to South China and the islands of the Southern Pacific, and to make of it a truly useful commercial institution for those regions.

When the actual organisation of the bank was undertaken, it was deemed necessary to amend the law under which the bank received its charter, so far as to authorise the issue by it of notes convertible in silver, against a reserve of silver bullion and of first-class securities, to the limit of £500,000 sterling.

In addition to conferring this privilege, it was provided that the Government should furnish £100,000 of the bank's capital, and that the dividends accruing on shares to this amount should, for the first five years of the bank's existence, be placed to its reserve account, in order thereby to add to the financial strength of the institution. Further, the Government lent to the bank, free of interest, the sum of £200,000 in silver, to be used as part of the reserve aforementioned, for the redemption of the notes which it was authorised to issue.

The bank was opened for business in September, 1899. Its branch and sub-branch offices now number eleven, and its business transactions become larger day by day.

Currency.

It was no easy matter at the outset, in 1895, to determine what should be the standard of money and the system of currency for Formosa; for although it might have been said that a copper coinage was actually the standard there, it could not be claimed, according to pronounced commercial usage, that copper in this sense had a legal existence. Mexican dollars, Spanish dollars, and the dollar coins of Hongkong were all in use as media of exchange, but only according to their relative value as silver bullion. Paper money was never used in the island.

Under the new Japanese administration the Colonial Government began to make its payments to the natives in Japanese silver coins (yen) and bank notes, and thus the conditions of the Formosan monetary system were suddenly disturbed by the influx of a new element. The natives were glad enough to receive the new silver pieces from Japan, and preferred them to all other coins then in circulation; but of the uses of bank notes the indigenous population possessed not the faintest idea.

As a consequence, there soon grew to be an appreciable difference in the relative price of silver to bank paper, but by clever management on the part of the Bank of Japan this tendency was overcome after a while, and the monetary situation in the island gradually came to be identical with that of the motherland, although at that period of the colony's history no definite regulations regarding the currency had been laid down.

In the course of time a coinage law and a subsidiary coinage law for the whole Empire were passed by the Diet, and, after receiving Imperial sanction, were promulgated on the 26th day of March, 1897.

The monetary reformation of Formosa thus became imperative, and several meetings of the special committee appointed to consider the question took place. The Imperial Government wish to apply the gold standard to the colony's affairs, as well as to those of the motherland; but the economic conditions prevailing in the island of Formosa precluded this, not only because the natives were unaccustomed to use gold coins, but because trade relations with China and other silver countries, comprising nine-tenths of the whole, and also the payment of wages to Chinese labourers compelled the retention for the time being of a silver dollar currency.

Stamped silver one-yen coins were, therefore, brought into use as legal tender in Formosa, and enjoy unlimited circulation there, according to the market price that is officially determined and notified periodically by the Formosan Government.

The existing monetary situation in the colony may, therefore, be summed up thus:—

(1) That *de facto* the legal standard in Formosa is the stamped Japanese silver one-yen piece.
(2) The Bank of Formosa has power to issue notes against a reserve of silver and first-class securities to a limit of half a million sterling, £200,000 of that reserve being supplied by the Government.
(3) That all foreign coins, as aforesaid, are used merely as bullion.

The Colonial Government's Reforms.

Taking them in the order already set forth—(*a*) The administrative system, for which General Baron Kodama is at present responsible, has since 1898 answered all requirements, and has given contentment to a population which is composed of many elements inclined by nature to be more or less antagonistic to one another. (*b*) As to sanitation. Whereas the Chinese had paid no heed whatever to such matters, and the death-rate was extraordinarily high at the time when the island became Japan's property, steps were at once taken by the new owners to remedy the defective drainage of the towns, to supply pure drinking water by boring artesian wells and establishing waterworks, and to reduce the number of mosquitoes and other noxious insects, which previously were veritable plagues. Hospitals were indispensable to the fulfilment of the scheme, and no fewer than eleven of these institutions are now rendering excellent service. (*c*) The cadastre, upon which the land tax is collected, is being pushed forward, and its effects, as exhibited in a largely-enhanced revenue from this source, are already plainly visible, though the work is necessarily one which demands time for its complete accomplishment. (*d*) The educational measures adopted are far-reaching, and are certain to be effective. (*e*) Public works, in the direction of telegraphs, lighthouses, and railways, and the improvement of the accommodation for shipping at various ports, are all receiving their due share of attention. (*f*) The banking affairs and monetary system of the colony have been placed upon a satisfactory footing.

Cost of Civil Administration.

In the execution of its varied measures of reform the Japanese Government has expended in all upon

Formosa, since the transfer in 1895, the sum of £18,112,000. These figures include, however, £8,326,000 for military expenses, so that the general expenditure has amounted to, as already shown, £9,786,000. The heavy charges in respect of military operations, having ceased for the last fiscal year, this item figured in the accounts at no more than £782,000 for the twelve months, and it is likely to be still further reduced in subsequent Budgets.

TABLE I.

FINANCIAL CONDITIONS, 1896-1901.

EXPENDITURE.		REVENUE.	
Total Expenditure, including Railway, Harbour, and other Public Works; Prosecution of Government Monopolies, Civil Service, various departments, but not Military Expenses:		(a) Total Revenue Collected in Formosa:	
1896 ...	£965,000	1896 ...	£271,000
1897 ...	1,049,000	1897 ...	532,000
1898 ...	1,197,000	1898 ...	825,000
1899 ...	1,719,000	1899 ...	1,175,000
1900 ...	2,330,000	1900 ...	1,490,000
1901 ..	2,454,000	1901 ...	1,637,000
	9,786,000		5,930,000
		(b) Subsidy from Home Government:	
		1896 ...	£694,000
		1897 ...	596,000
		1898 ...	398,000
		1899 ...	300,000
		1900 ..	260,000
		1901 ...	238,000
			2,486,000
		(c) Formosa Public Works Loan...	1,370,000
	£9,786,000		£9,786,000

Deducting from £9,786,000 the expenditure upon public works, viz., £3,072,000, and the sum total of the revenue, £5,930,000, we find that the net cost to the mother country for civil administration has been £784,000, or £112,000 per annum. Taking into account

The Foreign Trade of Taiwan (Formosa) for October, 1902, with comparison to corresponding period of the previous year.

	October.		Ten months ending October.	
	1902.	1901.	1902.	1901.
	Yen	*Yen.*	*Yen.*	*Yen.*
Exports	1,419,307	580,770	12,254 564	7,226,628
Imports	921,194	598,898	8 494,554	10,409,511
Total	2,340,501	1,179,668	20,749,118	17,636,139
Excess of exports ...	498,113	...	3,760,010	...
„ „ imports...	...	18,128	...	3,182,883
Exports, specie and bullion	11,639	43,498	561 811	1,313,589
Imports, specie and bullion	315,022	10,911	4,101,406	869,993
Excess of exports ..	...	32,587	...	443,596
Excess of imports ...	303,383	...	3,539,595	...

the area of the group, over fifteen thousand square miles, the average expenditure was a trifle over £7 yearly per square mile—a remarkably low rate when all the drawbacks incidental to the economical government of a new colony are fairly considered.

(To be continued.)

JAPANESE FINANCES AND NAVAL EXPANSION.

IN another column is published a letter from Mr. Kodama, the financial representative of the Imperial Japanese Government in London, in which he shows that the recent issue of Japanese "Fives" was not a new loan, but was part of the loans authorised in 1892 and 1896 which was held by the deposit section of the Finance Department. Bonds of these issues to the amount of 50,000,000 yen were purchased by the Hong-Kong and Shanghai Bank, Baring's, and the Yokohama Specie Bank, and sold in London. As far as the "ANGLO-JAPANESE-GAZETTE" is concerned, no mistake was made, and I may recall the words which I wrote in the number for October while dealing with the Japanese loans: "The most important point about this issue was that it was not a new loan, but formed part of the issues authorised in 1892 and 1896." I then went on to explain what the financial measures of the Japanese Government were, and how the money was to be provided. It seems that some confusion has arisen in the minds of those who have not made a special study of Japanese finance, which it is to be hoped that Mr. Kodama's very clear letter will go a long way to dispel.

As Mr. Kodama points out, the issue of 50,000,000 yen in Japanese Fives had no immediate connection with

Total value of Specie and Bullion exported from and imported into Japan during October, 1902, with comparison to corresponding period of the previous year.

	October.		Ten months ending October.	
	1902.	1901.	1902.	1901.
EXPORTS.	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Gold coin & gold bullion	60,130	1,730,020	447,951	9,306,130
Silver coin & silver bullion	65,678	142,166	943,986	2,333,873
Total...	125,808	1,872,186	1,391,937	11,640,003
IMPORTS.				
Gold coin & gold bullion	6,162,211	1,320,888	19,374,349	9,519,703
Silver coin & silver bullion	18,066	34,024	1,743,507	231,896
Total	6,180,277	1,354,912	21,117,856	97,515,599
Excess of exports ...	...	517,274	...	1,888,404
„ „ imports ...	6,054,469	...	19,725,919	...

naval expansion. Under the law of 1896, loans to the amount of 150,000,000 yen were authorised, and out of this the sum of 77,458,907 yen was earmarked for military and naval works, and, in cases where the authorised loans had not been issued, the Government advanced the necessary money from funds which it had at its disposal from other sources. The naval and military programme of the Government has been carried on uninterruptedly since the war with China of 1894-5, and a great deal more money has been expended on what may be called "capital" expenditure than has been provided out of loans. The Japanese Budgets are rather curious, and need some study before they can be clearly

understood. There has been, for a good many years past, a large surplus on the "ordinary" Budget, and a large deficit on the "extra-ordinary" Budget. In other words, the surpluses on the ordinary revenue have been applied to meet extraordinary expenditure, and a great deal of borrowing has in this manner been avoided.

In the following table I have set out the figures for the past six years, and have added the estimates for 1902-3. It will be observed that the ordinary revenue has shown an annual surplus for recent years of upwards of 40,000,000 yen. The extraordinary revenue has steadily declined, and as this amount consists principally of receipts from loans and the Chinese indemnity, it means that Japan has been borrowing less and less. The extraordinary expenditure shown has been met partly out of extraordinary revenue, and partly out of the large ordinary surpluses:—

	Ordinary Revenue.	Ordinary Expenditure.	Extraordinary Revenue.	Extraordinary Expenditure.
	Yen.	Yen	Yen.	Yen.
1896-7	124,222,964	107,695,127	102,167,159	115,983,717
1897-8	132,869 336	119,072,144	87 184,792	100,685,424
1898-9	177,328,536	137,590,418	76,925,996	116,575,120
1899-1900	193,730,180	152,570,592	60,819,638	102,241,836
1900-1901	207,540,670	164,675,100	69,956,333	111,212,324
1901-1902	201,752,362	160,363,583	65,393,465	106,493,241
1902-1903 (estim'td)	226,114,613	177,596,966	56,318,351	104;156,229

Now let us turn to the naval expenditure during the same years, and see how far this has been met out of ordinary revenue or receipts from taxation, and how far out of loans:—

	Ordinary.	Extraordinary.	Total.
	Yen.	Yen.	Yen.
1896-7	9,543,889	40,850,645	50,394,534
1897-8	11,191,475	47,338,427	58,529,902
1898-9	14,577,114	47,084,496	61,661,610
1899-1900	17,513,354	23,409,627	40,922,981
1900-1901	20,161,010	16,954,255	37,115 265
1901-1902	19,484,953	24,494,375	43,979,328
1902-1903 (estimatd)	21,349,054	7,076,586	28,425,640
	113,820,849	207,208,411	321,029,260

The principal point about the above figures is the advance in the ordinary expenditure, and the decline in the extraordinary outlay. That is to say, the Japanese Naval Budgets are rapidly coming to depend upon the ordinary receipts from taxation. The estimates for 1902-3 are much smaller than those for any year in the table, and three-quarters of the estimated expenditure is "ordinary." There are further matters which are worth attention. The Public Works Loan of 1896 provided only 77,458,907 yen for naval and military works, and since that date 207,000,000 yen have been expended on the navy alone over and above the ordinary outlay. One would be obliged to conclude that Japan had been outstripping prudence in its naval expansion but for those surpluses on the ordinary Budgets to which I called attention earlier in this article. These surpluses have been more than sufficient to make up the difference between the 77 millions provided by loan and the 207 millions actually expended, and they form the key to the situation. The conclusion which I draw from the above figures is that Japan is in much less need for a loan for naval works now than she was, say, four years ago, and that, if the present rate of taxation be maintained, a naval loan will after this year be altogether a superfluity.

YEN.

IMPERIAL JAPANESE GOVERNMENT BONDS.

Issues Authorised by the Diet.

[The following remarks respecting the recent issue of Japanese bonds in this country, reference to which is made on the previous page by H.I.J.M. Financial Representative, has been handed to us by the Consul-General.]

By the Railway Construction Law (No. 4 of xxv. Meiji—*i.e.*, 1893) it was provided that 95,000,000 yen should be raised by degrees from the financial year 1893-4 onwards, the object being the construction of railways projected in the first period of railway construction programme. By the Public Works Law (No. 59 of xxix. Meiji—*i.e.*, 1896), it was enacted that a total of 150,000,000 yen should gradually be raised, the objects being—(a) improvements of railways; (b) construction of railways in Hokkaido; (c) establishment of a steel foundry; (d) expansion of the telephone service; (e) introduction of leaf tobacco monopoly; (f) new military equipment. By the Hokkaido Railway Construction Law (No. 93 of xxix. Meiji—*i.e.*, 1896), the Government was authorised to raise loans gradually to a total amount of 33,000,000 yen, the object being the construction of railways in Hokkaido—*i.e.*, in the island of Yeso. The sum total of these loans was thus 278,000,000 yen.

In pursuance of these regulations, it was proposed, under the successive annual Budgets down to the end of the last fiscal year, to raise sums that in the aggregate amounted to 226,612,440 yen. The whole of these amounts, however, owing to the unfavourable conditions that prevailed in the Japanese money market, were not actually raised at the appointed dates, although authorised by the Diet, and the precise sums realised under the three laws specified in the foregoing statement were, in all, 181,863,540 yen. Thus there was a discrepancy of 44,748,900 yen between the sums authorised by Parliament in the period indicated and the sums actually raised; and, in order not to impede the progress of the public works named, amounts which sufficed to make good the deficits were from time to time provisionally transferred from other funds that the Government had at its disposal.

The unoffered bonds were entrusted to the deposit section of the Finance Department, the sum total of the Government funds which had at that time been so placed in the hands of the deposit section, inclusive of these unoffered bonds, being about 70,000,000 yen.

The October Issue.

The reason that bonds to the value of five millions sterling were offered in London was that the Hong-Kong Banking Corporation, Messrs. Baring Brothers and Company, and the Yokohama Specie Bank, Limited, had jointly purchased them for that purpose, with the consent of the Imperial Japanese Government, from the Industrial Bank of Japan. The last-named institution was inaugurated in April last for the purpose of the improvement and development of agriculture and industry. It had originally purchased these bonds, value 50 million yen, from the deposit section of the Imperial Government Finance Department, which, as above shown, previously held them. About one-half were bonds of the year 1901, and the remainder were of the 1902 issue. The bonds

placed on sale in London are being sent by degrees, but all of them within the present year, to the London office of the Yokohama Specie Bank, and are there being handed over to the Hong-Kong and Shanghai Bank in exchange for moneys that fall due as under—viz., 15,000,000 yen before the end of 1902; 15,000,000 yen in January, 1903; and 20,000,000 yen in February, 1903. Principal and interest will in due course be payable at the London office of the Yokohama Specie Bank, in pounds sterling, at the fixed rate of 2s. 0½d. per yen.

As will be perceived, the bonds were in the first place entrusted to the deposit section of the Finance Department, instead of offering them at the time in the public market, on account of the then economical conditions in Japan; and therefore a sale of these 50 million yen worth of "Imperial Fives" by the banks named to purchasers in England does not in any shape add to the national indebtedness of Japan. It has the effect of transferring a portion of the public debt from the domestic to the foreign side of the account thereof.

With the money, 50,000,000 yen, which the deposit section of the Finance Department at Tokyo realised, the Government was able to make up the deficit of 44,748,900 yen before alluded to in the allotments to public works authorised under the laws of 1892 and 1896, and thus to restore the equilibrium in its arrangements for meeting the outlays involved in its various undertakings. These notes may serve to elucidate the financial operations which were recently carried out by the Imperial Japanese Government, and to supply details of the transactions which led up to them, as well as to negative the impression that there was some connection between the sale of the bonds and Japanese naval expansion.

H. KODAMA,
Financial Representative of H.I.J.M. Government in London.

DIVIDENDS AND REPORTS.

THE directors of the Peninsular and Oriental Steam Navigation Company, in their annual report, state that the net surplus, including a sum of £10,015 brought forward, to September 30th last amounted to £219,861, out of which the holders of deferred stock receive a dividend of 10 per cent. for the year, together with a bonus of 3 per cent. The recent dividend record of the company is as follows:—1896-7, 13; 1897-8, 10; 1898-9, 12; 1899-1900, 13; 1900-1, 10; 1901-2, 13. A balance of £11,061 will be carried forward. The company have at present 70,000 tons of steam shipping under construction. A petition has been presented to his Majesty in Council for the grant of a fresh charter of incorporation, for the purpose of enabling the company's powers to be brought up more fully to the level of modern requirements. An agreement, similar to that which has been in force since 1887, has been signed with the Lords of the Admiralty for the employment of certain of the company's ships as armed cruisers, the annual subvention for the same being £13,500, continuing in force till April, 1905. The appropriation to Sinking Fund reaches the sum of £600,000, being £263,576 above the normal charge of 5 per cent. on the original cost of the fleet. The directors consider that it is doubly fortunate that circumstances should render this addition to the sinking fund practicable at the moment when the company's mail services are about to come under review; and when, therefore, prudential considerations are of the utmost importance, in view of the outlay which will probably be necesary at no distant date, in connection with future operations. The ordinary freight receipts, which had moved upwards during the earlier part of the year, owing chiefly to activity in the traffic between India, China, and Japan, have since fallen away in sympathy with the low range of freights throughout every trade in the world. The revenue accounts in this department has, therefore, closed about £50,000 below that of last year; on the other hand, owing to the demand for additional transports, that particular branch of revenue improved considerably. The passenger receipts, which showed a decline of £20,000 during the first six months, owing chiefly to depression in the Australian trade, subsequently improved, and are now only £6,000 below those of 1901, which was a record year. The Australian traffic has, however, continued in a very unsatisfactory state. The general cost and charges in the working of the fleet continue very high, but the coal expenditure has been attended by a sensible diminution as compared with that of last year. At the present moment, the shipping trade shows no indication of returning buoyancy. In every direction freights are low, and cargo in proportion to tonnage is the reverse of plentiful.

Peninsular and Oriental Steam Navigation Company.

THE report of the British Westinghouse Electric and Manufacturing Company, Limited, for the year ended 31st July last, shows that the profits for that period amounted to £79,594, including the sum of £18,908 brought forward from last account. Out of this amount an interim dividend and debenture interest have been paid, and the directors propose to appropriate a further sum of £30,000, making a full 6 per cent. on preference shares to the 31st of July. Of the £20,204 remaining, £14,963 has been written off for stamp duties and fees incurred on the formation of the company, and the expenses connected with debenture issue, leaving £5,240, which is placed to reserve account. Owing to the rapid growth of the business, the directors propose to increase the capital by issuing an additional £200,000 six per cent. preference shares of £5 each, one half of which will be offered shortly.

British Westinghouse Electric Manufacturing Company.

THE TRADE OF KOBE AND OSAKA—1901.

Foreign Competition.

In his report on the trade of Kobe and Osaka for the past twelve months, Mr. Consul Hall draws attention to the keen and ever-increasing competition of German and American shipping companies. It will readily be seen from the accompanying table that, while British shipping still heads the list, we have lost much of the carrying trade for this port (Kobe):—

Nationality.	Tonnage in Thousand Tons.				
	1897.	1898.	1899.	1900.	1901.
British	1,294	1,338	1,119	1,180	1,211
Japanese	663	800	981	988	1,121
German	189	206	170	371	430
American (U.S.) ...	89	85	117	114	138
All other	218	223	191	213	215
Total	2,453	2,652	2,578	2,866	3,115

Taking a retrospect, it will be seen that British shipping is barely holding its own, whilst those of its three younger rivals—Japan, Germany, and America—have been steadily advancing. In 1897 British tonnage was half of the total entries. Last year it dwindled to little more than one-third, whilst Japanese advanced to fully one-third. German and American tonnage taken together amount to about half of the British or Japanese, but the German has advanced much more swiftly than the American, rising from 189,000 tons in 1897 to 430,000 tons in 1901, as against the American rise from 89,000 tons in the former year to 138,000 tons in the latter. French tonnage has remained stationary, being confined to the fortnightly mail steamers of the Messageries Maritimes. The reason for the rapid stride made by Japan is partly owing to its monopoly of the coasting trade and to the conjoint operation of the Government bounties on shipbuilding, and of the bo nties on foreign voyages.

The German lines, the N.D.L. and the Hamburg-America Line, have Government subsidies and support behind them. The increase in the United States shipping is mainly due to increased communication with the Philippines, and may be expected to expand still more when the projects of protection for American shipping have been put in operation. British shipping, however, relies solely on private enterprise, and so far no grounds for despondency as to its future are apparent, though for the nonce there is a temporary lull in its normal growth.

Although the figures for the trade of these two important centres may suggest a stationary condition of trade, Mr. Hall gives it as his opinion that there is a decidedly upward movement in commerce.

How steady is the upward movement is apparent from the fact that it has risen from an average of £15,500,000 in 1896-97 to nearly £21,000,000 in 1898-99, and over £23,000,000 in 1900-01. And, steadily as the imports are rising, the exports are increasing still faster. As late as 1898 the exports were less than 44 per cent. of the value of the imports; in 1900 they rose to nearly 54 per cent.; in 1901 they were nearly 66 per cent., the highest proportion yet reached.

	1901.	1900.
	£	£
Imports...	13,906,381	15,029,403
Exports...	9,172,443	8,098,592
Total	23,078,824	23,127,995

Exports.

Cotton—Rice—Matches—Etc.

Of the total export values of over £9,000,000, the leading staple, cotton yarn, took 20 per cent., or close upon £2,000,000, and this was a slight falling off as compared with the previous year. Owing to the short-time working necessitated by the North China disturbance during the earlier part of 1901, the total output of the mills was not much over that of the previous year, the figures being 657,000 bales, or about 120,000 tons, in 1891, as against 642,000 bales, 115,000 tons, in 1900. The export of cotton fabrics last year, like that of cotton yarns, was practically stationary at a little over £500,000. Rice figures as the main item of the great increase of exports. This is attributable to the abundant crop of 1900, which was 4 per cent. above the average. The rice exported in 1900 was only 25,000 tons, value £244,000; in 1901 it was 66,000 tons, value £604,000. Cheap labour, a protective tariff, and careful regulation of the industry by means of a syndicate, have secured for Japan the supply of safety matches to Eastern Asia. The export trade is mainly in the hands of Chinese merchants, and the quality of the matches has been greatly improved. As against less than 19,000,000 gross, value £577,000, exported in 1900, the figures in 1901 rose to over 24,000,000 gross, value £742,000.

Copper—Matting.

The average export of copper for the past three years from Kobe amounts to about 11,450 tons, the Sumitomo brand being the standard quality. This trade is mostly in the hands of German merchants.

The trade in rush matting rose from about 500,000 rolls, value £330,000, in 1900, to over 700,000 rolls, value £540,000, in 1901. The rush crop being a good one, consequently better goods were turned out, and contracts were filled by the manufacturers much more to the satisfaction of the foreign shipping houses than had of late been the case. The province of Bizen produces the best variety of the rush, and the manufacture is gradually improving. The recent introduction of the Jacquard machine enables the weavers to turn out neater patterns, with a better finish, than was possible with the old and more primitive type of machines. A very noticeable fact in connection with this promising industry is the extent to which its development is affected and retarded by the tariff arrangements of the United States, which are almost the sole market for the commodity. A much more beautiful article, of an indefinitely higher grade or grades, could easily be manufactured, but the heavy duty imposed by the American tariff on the superior kinds effectually checks enterprise in that direction. The bulk of the export consequently

consists of the low-grade ordinary "Okayama cotton warp." The cheap Chikugo variety is steadily declining, and the Bungo matting has been unable to hold its own in competition with the original Canton quality, which it was originally designed to imitate.

Among the minor staple exports which show an increase may be noted camphor, which rose from 4,500,000 lbs. in 1900, value £305,000, to 5,250,000 lbs. in 1901, value £379,000; beverages, consisting not only of the native rice beer (saké), but also in fully equal amount of the ordinary malt beer, now made in numerous native breweries, the export almost doubling itself within the year; and two in the miscellaneous group which call for separate notice.

TOBACCO.

It is now over four years since the Japanese Government established its tobacco monopoly. So far it has proved anything but the grand source of revenue expected of it. Its promoters thought that, apart from the increase of revenue, it would improve the growth and enlarge the export; but in these respects also it has been disappointing. There are no large tobacco planters in Japan. Numerous farmers raise each a small quantity; hence, in order to prevent offences against the monopoly laws, a small army of officials is required to prevent illicit dealings and smuggling, which are by no means uncommon. In the second year of its working the Monopoly Department reported the detection of over 7,000 cases. So far from helping to increase the export trade in the leaf, the monopoly has killed it. Prior to the establishment of the system, the stock of Japanese leaf in the United Kingdom—the only country to which it was exported—was usually about 15,000 bales; now it is nearly nil.

Following is an outline of the working of the system. All intending growers must apply for permission to the Monopoly Department, stating the area they propose to cultivate. When grown, all the tobacco must be brought to the monopoly office on or before March 31st of the following year. The price to be paid to the growers is fixed beforehand. This is arrived at by dividing the crop into grades. In 1900 there were eighteen grades; each of these again was divided into first, second, and third quality. Then, again, in each quality the leaf was separated into four sorts—viz., top leaves, upper middle leaves, lower middle leaves, and ground leaves—thus making 216 grades and prices.

On being brought to the local office of the monopoly, the tobacco is inspected, graded, and paid for. It is then distributed to other places, each bale being marked by a little wooden ticket giving its grade and weight, and also a number.

The leaf thus packed is sold by the kwamme (about 8¼ lbs.) on its original weight. The monopoly's profit, originally fixed at cent. per cent., has been increased to 150 per cent.

The following are amongst the causes that have militated, and are likely to continue to militate, against the experiment. Firstly, the grower's anxiety is to get the tobacco off his hands as soon as he possibly can, thus throwing any risk of deterioration on to the monopoly. The earlier it is taken the better, as the moisture contained in it means more money to him. And now that he has a sure market, he does not take the same care as formerly, and thus the tobacco not seldom goes into the monopoly's warehouses in a half-cured state, and, owing to scarcity of competent experts, it sometimes spoils and becomes worthless. Secondly, the deterioration of the culture. An *ad valorem* profit of 150 per cent. is gradually but surely forcing the finer kinds of tobacco out of cultivation, because every rise in the percentage of profit causes the manufacturer to use a lower grade. Thus the standard of tobacco used is lowered, without the revenue being benefited. Again, whilst the profit is collected on original weights, there is always a considerable shrinkage by drying, ranging from 12 to 25 per cent.; hence the manufacturer has to pay 150 per cent. on tobacco which does not exist, and though the precautions against smuggling are largely ineffectual, the expenses of working the system are wastefully high.

Finally, the import of foreign leaf, which is also in the hands of the monopoly, has been very small, the profit being the same as on the native leaf, 150 per cent.

The total value of kanten (vegetable isinglass) amounted to £116,000, as against £92,000 for 1900. The bulk of this goes to Hong-Kong and China; but in 1900 over 57,000 lbs. were sent to the United Kingdom, Germany taking over 73,000 lbs.

Imports.

During the year the imports at the port of Kobé and at Osaka fell off to the amount of £1,100,000 as compared with the preceding year. This is undoubtedly due to the influence of the new protective tariff, as the decrease was entirely in manufactured articles, and amongst them mainly in cotton yarns and fabrics, as will be seen from the table.

The cotton-spinning industry, apart from a short period of fluctuations in the early months, remained

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steady throughout the year. At the end of December last there was not a month's supply of cotton in stock.

The year was a good one for the spinning companies generally, most of which declared good dividends. The total number of factories in operation is sixty-three, a diminution of thirteen from the preceding year, caused

	1901.	1900.
Cotton—	£	£
Piece-goods	168,730	533,176
Italians	120,610	266,860
Yarns	94,885	228,000
White shirtings	34,646	211,600
Prints	40,176	137,760
Mousseline-de-laine	260,700	482,000
Woollen manufactures	109,560	210,800
Plate and sheet iron	101,250	169,350
Rails	36,328	90,225

partly by failures and partly by amalgamations of the smaller factories. The total number of spindles at the close of the year was 1,295,598, of which only 1,153,244 were at work. The total number of mill hands employed numbered 15,141 males, whose average wage is 7½d. per day, and 53,594 females and children, who earn on the average 4½d. per day.

In 1900 the import of metals amounted to very nearly £1,500,000, but the import in 1901 fell short of this by about £300,000. The decline was general all along the line, with the solitary exception of pig iron, of which some 28,000 tons were brought in, as against less than half that quantity the year before; and the exception was due mainly to the facts that the stock brought over from 1900 was unusually small, and that the shipments received in the later part of the year were much in excess of the market requirements. The recently established Imperial steel foundry has not yet entered into competition with the foreign import; but the expectation that it would do so was no doubt the cause of the redundant importation of rails and bridge materials in 1900. The chief share in producing the decline in this, as in other staple imports, is ascribed to the influence of the protective tariff. There was an increase in the import of locomotives and parts of engines and boilers, but there was a decline in railway carriages and trucks; and that Japan will soon be in a position to supply the whole of her own railway requirements may be gathered from the following facts, extracted from the annual report of the Imperial Government railways for the year ended March, 1901.

Confining the examination to the Kobé workshops alone, it is stated that, as regards new work, the construction of two eight-wheel coupled tender engines continued from the preceding year came to completion, and 484 waggons were built during the year under review. Other works finished included drilling machines, screw-cutting lathes, shaping machines, engine turntable, 112 well curbs, 84 bridge girders, point indicators, flat-bottomed points and crossings, and a large quantity of water pipes.

The details of the eight-wheel coupled tender engines referred to were:—Cylinders—diameter 1 ft. 6 in., stroke 1 ft. 10 in.; wheels—(diameter of) coupled 3 ft. 7 in., bogie 2 ft. 5½ in., tender 3 ft. 1½ in.; wheel base—rigid 13 ft. 11 in., total 40 ft. 6¾ in.; heating surface, 1,186.48 sq. ft.; grate area, 18.5 sq. ft.; weight—on coupled wheels 41 tons 11 cwts. 2 qrs., on bogie 6 tons 11 cwts. 2 qrs., on tender 22 tons 12 cwts. 3 qrs.; total weight 70 tons 15 cwts. 3 qrs.; tank capacity, 2,433 gallons; coal capacity, 2½ tons; steam pressure, 150 lbs. The cost per engine is estimated at 27,052.393 yen (£2,762).

The increase in the imports of sugar amounted to 19 per cent. in value and 12 per cent. in quality, the figures being 97,320 tons for 1901, as against 87,070 tons for the previous year. Rice also shows an increase, and for the first time includes shipments from Taiwan (Formosa). The standing crop in September last was estimated at 220,100,000 bushels, or 10 per cent. above

Share taken by the Countries participating in the Total Trade, both Import and Export, of the Port of Kobé (Hiogo) for the Years 1901-1898 :—

Country.	Value.			
	1901.	1900.	1899.	1898.
	£	£	£	£
United Kingdom	2,519,976	3,451 533	2,273,117	2,654,526
India	4,106,531	2,221,911	4,017,594	3,352,452
Hong-Kong	2,112,438	2,464,837	2,461,562	2,488,097
Australia	216,532	217,164	188,496	187,412
Canada	76,418	89,395	77,281	51,899
Total British	9,031,895	8,444,840	9,018,050	8,734,386
China	4,068,559	3,832,054	4,393,276	3,735,960
Corea	180,079	169,104	134,857	230,464
United States	3,735,660	5,105,017	3,725,041	3,327,891
Germany	1,535 924	1,320,878	873,917	1,140,393
France	270,914	535,461	385,532	415,010
Other countries	1,918,795	1,676,888	1,382,490	3,285,418
Grand total	20,741,826	21,084,242	19,913,163	20,869,522

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the average. The import of beans, peas, and pulse increased from 51,350 tons in 1900 to 66,480 tons in 1901, and other grains and seeds show an even larger proportionate increase.

Of the total import and export trade of Kobé for the period covered by the report, amounting to £20,740,000, Great Britain's share was £9,000,000, over 43 per cent.; China coming next with £4,000,000, nearly 20 per cent.; the United States with close on £3,750,000, nearly 18 per cent.; and Germany with over £1,500,000, nearly 8 per cent. French trade dropped from £500,000 in 1900 to less than £250,000 in 1901, less than 2 per cent.

Of the £9,000,000 trade with the British Empire, India took £4,000,000, the United Kingdom £2,500,000, and Hong-Kong £2,000,000. The trade with Australia was a trifle over £200,000. Australia and Canada have shown much anxiety to push trade, but their best way would probably be to lower their tariffs.

Comparing the figures for 1901 with those of each of the two preceding years, it appears that, whilst British trade is nearly stationary, American fluctuating (the spurt made in 1900 not having been maintained), and French declining, the largest and steadiest relative expansion is in the trade of Germany, which rose from £874,000 in 1899 to £1,536,000 in 1901.

DEATH OF THE UNITED STATES MINISTER TO JAPAN.

Mr. Alfred Eliab Buck, United States Minister to Japan, died suddenly, of heart failure, at a shooting-party at the Shiba Palace, on December 4th.

The deceased gentleman was born at Foxcroft, Maine, in 1832. He fought with the Union Army through the Civil War, and afterwards settled in the South. Mr. Buck was a close friend of the late President McKinley, who, in 1897, during his second administration, appointed him Minister to the Mikado's Court. Prior to this he was a member of Congress for Alabama during the Reconstruction period, and a presidential elector in 1869. Later he moved to Atlanta, Georgia, where he held the office of clerk to the United States Court, and was afterwards United States Marshal for the State of Georgia. It speaks well for his popularity that before going to Japan he had been a delegate to five Republican Conventions.

Mr. Buck was held in exceptionally high esteem by all sections of Japanese with whom he came in contact, and it will be recalled that he steadfastly refused to associate himself with the other Powers in connection with the house tax question, having the courage of his own conviction that the views held by Japan were right. He married, in 1864, Miss Ellen Boker, of Hollowell, Maine.

Although no definite appointment has been made to fill the post left vacant by Mr. Buck's death, it is highly probable that the U.S. Government will transfer Mr. Lloyd Griscom, the present Minister to Persia, to Japan.

INDUCEMENT TO VISIT OSAKA.

Baron T. Hirata, H.I.J.M. Minister of Agriculture and Commerce, and Vice-President of the Fifth National Industrial Exhibition, has issued invitation cards to prominent personages in the commercial world to visit the Exhibition to be held at Temoji, in the City of Osaka, from March 1st to July 31st, 1903. Recipients of these invitations will be entitled to special facilities for the inspection of the Exhibition, travelling in the Empire, etc., etc. They will be allowed 20 per cent. discount on single fares, both outward and homeward, by the N.Y.K., and efforts are being made to induce the Osaka Shosen Kaisha and other steamship companies also to allow a discount on their fares.

The chief engineer of the Tokyo Electric Light and Power Company, Mr. Y. Nogami, is at present in America. His trip is no doubt not altogether unconnected with the anticipated extension of the above-named company's plant. These extensions will be principally for the purpose of furnishing energy to operate the electric traction system to be constructed by the Tokyo Street Railway Company. The present equipment has a capacity of 4,000 horse-power. This will be increased by 1,200 horse-power.

The entire plant for the lighting of the Oriental Palace Hotel, Yokohama, has been placed in the United States. This will consist of a 25-kw. Westinghouse generator, to be directly connected to an Ideal engine by the A. L. Ide Company, of Illinois. The pumps will be furnished by the International Pump Company, and the exhauster by the Burt Manufacturing Company, of Ohio.

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ART IN JAPAN.

THE OLD AND THE NEW METHODS REVIEWED IN AN ABLE PAPER BY MR. JOHN H. DIXON, M.J.S., ETC.

THERE was a large attendance of members of the Japan Society and their friends at 20, Hanover Square, W., on Wednesday evening, the 10th inst., when Mr. John H. Dixon, J.P., F.S.A., M.J.S., read an interesting and instructive paper "On Some Japanese Artists of To-day." Around the hall were displayed a number of drawings executed by Japanese artists, and these unoffending canvases were the objects of severe criticism at the hands of Mr. G. C. Haité, R.I., in the discussion which followed the reading.

Mr. Marcus B. Huish, LL.B., hon. librarian and curator, on the invitation of Mr. Arthur Diósy, F.R.G.S., Chairman of Council of the Japan Society, kindly consented to occupy the chair, and in a few well-chosen words introduced Mr. Dixon to his audience. In a quiet, easy manner, without gesture, Mr. Dixon told his hearers that to many Englishmen the pictures of the old masters of Japan are a sealed book; or, if the book were opened at all, it was nearly illegible, and quite incomprehensible.

The majority of Europeans who include Japan in their travels get no real insight into the merits of Japanese art. They admit that the pictures are wonderful, but that they don't understand them. A few begin at the beginning, and make a pilgrimage to Horyuji, the oldest existing temple in Japan, to inspect the frescoes painted nearly thirteen centuries ago by a Korean priest; but even these fail to impress them, and Mr. Dixon did not wonder, for, "what with the gloominess of the place and the ravages of time," he said, "I could make little of them myself."

There are (he continued) many fine examples of the countless artists who have arisen since those frescoes were painted. They are to be seen in temples and museums, and still more in the houses of connoisseurs, sometimes in curio shops. The collection in our British Museum is probably more comprehensive than any in Japan, but there are few who study it, and without study the old-time Japanese paintings cannot be appreciated. Like great pictures all over the world, they grow upon you—the more you examine them, the more charms you discover. Some few Europeans are enthusiastic in their praise. Witness the delightful series of papers by Mr. Arthur Morrison now appearing in "The Monthly Review." I recall with much pleasure a number of occasions when kindly Japanese gentlemen have, with just pride, shown me their pictorial treasures. After lunch, dinner, or other hospitality, my worthy host, encouraged perhaps by my appreciation of the two or three kakemono hanging in the tokonoma, has produced certain long, narrow boxes. From these have been taken rolls of pictures. One by one they have been unfolded and displayed; then my host has eloquently dilated upon their subjects, their suggestiveness, their technique. He would never gush about them; gushing is not a Japanese attribute.

Thus agreeably was Mr. Dixon initiated into the mysteries of those old-style pictures, and learned their special characteristics. These he found to consist in their dashing boldness, directness of touch, facility of execution, strength of line, spontaneity, and idealism. The facility of Japanese painting is generally attributed to the training of all scholars in the writing—it is really painting—of the elaborate Chinese ideographs; and in this connection Mr. Dixon avers that—

Facility in drawing is noticeable even amongst schoolboys. I have often put small boys in Japanese elementary schools to a similar test. Their productions were always neatly painted, and the touches of their pen-brushes had often quite an artistic air of ease and freedom.

Mr. Dixon here drew attention to the sketches already referred to, which, he said, were a few selected from many given him by fellow-guests in Japanese hotels, On one occasion a Japanese gentleman at Kofu criticised one of Mr. Dixon's own sketches. It represented a group of trees, with hills and clouds between them.

"Notice the difference," said his guest, "between your European way and ours. You paint the trees and the distance between them just as you see it all; we paint the trees and seize their character. They are the subject. If we want to show the distant hills, we place them over the trees, or alongside them. They are not allowed to interfere with the motive of the picture." Thus my friend (said the lecturer) confirmed the remark of Mr. Basil H. Chamberlain, that the Japanese artist is not a photographer; he is an idealist. Trees are often the subject of idealisation; they are studied by the Japanese generally in a way we know not of. They have a word "Edaburi," which means the formation or arrangement of the branches of a tree. It would astonish you to hear a humble labourer discuss the "Edaburi" of a particular tree as earnestly and as thoroughly as might John Ruskin himself have done.

The frequently incorrect drawing of figures, especially amongst the older Japanese painters, has led to the inference that the Japanese do not regard the human figure as the most glorious piece of God's handiwork. Mr. Huish, in his admirable book on "Japan and its Art," endorses that inference, but the lecturer declared that his experience had convinced him to the contrary.

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The Japanese possessed fine ideas of the dignity, beauty, and glory of their manhood. To illustrate this view, he said—

Three species of convolvulus are universal favourites. By careful cultivation they have been brought to extraordinary perfection. They are called "Asagau," "Hirugau," and "Yugau," the chief of which is "Asagau." In these names, "Asa" means "morning"; "Hiru" means "day," or "noonday"; and "Yu" means "evening," referring to the periods of the day when the flowers respectively open. "Gau" is translated as "glory." It really means the human face. The names of these lovely flowers are, literally, "Morning-face," "Noonday-face," and "Evening-face." The Japanese are so convinced that the countenance of man is the perfection of beauty that they treat the word "face" as synonymous with the word "beauty." Is this consistent with the theory that they hold low views of the "human form divine"?

Purely Japanese methods are pursued by many—both artists and amateurs—and to a great extent are taught in all schools; but Mr. Dixon's experience confirms the verdict of many critics in that there is little originality in their work—only a constant repetition of old forms and old ideas. The sketches which he exhibited illustrated the finality that seems to have befallen the old style of Japanese painting. The masks, the sparrows, nearly all were drawn from memory almost precisely as taught in art classes. But Mr. Dixon does not condemn this teaching:

It does not tend to develop originality, but it has many practical uses. The eye and hand are trained to work in absolute harmony. I have seen whole companies of private soldiers of infantry regiments, each man armed with portfolio, paper, and pencil. In a limited time, each soldier had to make a ground plan (solely guided by his eye) of buildings, roads, etc. I have been permitted to examine the plans made, and have been amazed at their general accuracy. We have nothing like this in England. It is not exactly art, but it shows the power of a knowledge of drawing acquired under the Japanese system.

The earliest modification of the old ideas by the introduction of European methods was in A.D. 1637, when Yemon-Shichi Yamada studied under a Roman Catholic artist from Europe, two or three of whose pictures are said to be still extant. In the period called Kyoho, between 1716 and 1735, an artist named Kenzan Ogata painted in European style. These two artists, however, had little or no influence on Japanese art. But in the period of Kansei (A.D. 1789 to 1800) appeared a notable artist—Kokan Shiba. He is said to have been an engraver on copper, and to have studied water-colour painting at Nagasaki under a European artist—probably Dutch. Kokan became famous as the pioneer of the European style of painting, with its realism and its perspective. Japanese art critics trace his influence in the pictures of many masters who are commonly regarded as purely Japanese—such as Okio, Watanabe Kazan, Hokusai, and Hiroshige—and Mr. Dixon gave it as his opinion, although he did not know whether it was generally accepted, that the popularity of Hokusai and Hiroshige among European collectors was due in part to their assimilation of the European principles introduced by Kokan. It remained until the present era of Meiji, commencing in 1868, however, before the use of European methods became widely diffused.

Early in Meiji, Togai Kawakami became known as a painter in the modern fashion. He also excelled in painting according to the Nanshu school, a Chinese cult—truly a singular blend. Mr. S. Koyama and Mr. C. Asai, who are to-day amongst the leading artists in Tokyo, took lessons under Togai Kawakami. About the same time, a European named Hofman gave lessons in water-colour painting. Mr. Uichi Tokohasi was a pupil of his. Then Mr. Kumizawa studied art in England, and Mr. Kiyoo Kawamura in Venice. They brought back something of the methods and manners of both countries. Mr. Kawamura has attempted to amalgamate Western and Eastern art with fair success. About 1876, the Japanese Government engaged an Italian art teacher, who had been a pupil of Corot. Messrs. S. Koyama, C. Asai, F. Honda, U. Tokohashi, B. Watanabe, and others studied under him at the engineering college at Tokyo. They affect what is considered a classical style, and are known as the old school. Besides them, Messrs. Shinya Watanabe, E. Myakodori, E. Mitsya, H. Yoshida, K. Miyake, Nakamura, and many others are now reckoned as belonging to the old school. Seven or eight years ago, Viscount Kuroda Kume, Messrs. Harada and Matsuoka, returned to Japan, all imbued with European ideas. These artists, with Messrs. T. Koshiuo, C. Ando, L. Shiratoki, H. Nakawaza, I. Uasa, T. Fijishima, form the new school. The followers of the old school adopt various styles, and have nothing in common but their striving after European methods. Instead of speaking of the Old and New Schools, some prefer the titles "Northern" and "Southern," because the painters of the old school generally reside in the North of Tokyo, while those of the new have their quarters in the South.

Mr. Dixon briefly referred to several artists residing in Kyoto and Nikko. There is evidently a strong feeling existing between the artists of Kyoto and Tokyo. When Hogai was asked by Mr. Dixon whether he had contributed to the Exhibition at Tokyo, whence the selection of the pictures to represent Japan at the Paris Exhibition of 1900 was made, he replied that Kyoto artist had no dealings with Tokyo. Ioki Bunsai, a Nikko artist, gave a similar reason for not submitting any of his works in the competition at Tokyo. The real difficulties of the modern-style artists is the conservatism of their public:

It will take years before the new style is thoroughly appreciated in Japan. Meanwhile, those who pursue it have difficulty in making ends meet. Our ways of displaying pictures to the world are not yet perfected in Japan. There are exhibitions, mostly on a limited scale, and open for but a short period. The public have not time to study the pictures and make up their minds to purchase.

In concluding, Mr. Dixon said that his little collection did not pretend to be representative of the present state of modern art in Japan.

We are all interested (he said) in the fortunes of our brave and capable allay. If any of you visit the Osaka Exhibition next spring, and there find good modern pictures by Japanese artists, of Japanese subjects, or if you should meet with such pictures in this country, I pray you patronise the artists, and so help to give these worthy young men the chance they are longing for—to go ahead and show what is in them.

At the end of his reading, Mr. Dixon received a hearty round of applause, and the chairman invited a discussion, which at once assumed the nature of a heated debate. Mr. Arthur Diósy, Chairman of Council, Japan Society, in seconding a vote of thanks proposed by Mr. R. Phené Spiers, F.R.I.B.A., F.S.A., and a member of Council, Japan Society, to Mr. Dixon for his able paper, characterised it as one of the most interesting that had been submitted to the Society.

JOHN LEONARD.

NOTICE.

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GENERAL NOTES.

THE burning question of the hour in Japan, as far as its international relations are concerned, is undoubtedly the strong feeling aroused throughout the nation by the legislation recently enacted in the Commonwealth of Australia. By this act the Japanese are placed on the same footing as the Chinese immigrants, and they thus will be excluded from the continent of Australia unless they can pass the educational tests prescribed by law.

Exclusive Australia.

The Japanese contention is that such educational tests should be so framed as to prove the ability of the immigrant to read and write his own language, just as is the case with Europeans arriving in Australian ports with the intention of working or settling in the country. The Japanese further maintain that if an Italian is compelled, on his arrival in Australia, to simply demonstrate that he can read and write Italian—not English—it is decidedly unfair that the Japanese should be specially penalised by having to undergo an examination in English, thereby placing him in an exceptional position, and plainly revealing the intention of the law-givers to make a racial distinction, classing him with other Asiatics of a far lower grade of civilisation, and whom it is undoubtedly the intention of those whose motto is "A White Australia" to exclude from their shores.

The matter has been vividly brought before the Japanese public by the, to say the least of it, unintelligent manner in which certain Australian officials have interpreted the Act, as, for instance, the case of such an eminent scholar as Dr. Nitobe, now a high official of the Government of Formosa. On landing in Australia, he had to undergo a searching examination as to his ability to read English, a fact which appears simply preposterous to anyone who has had the advantage of conversing with the doctor, who speaks better English than many Britons; or who has enjoyed the perusal of his admirable work in English on "Bushi-do" ("The Spirit of Japan").

The whole question of differential legislation directed against the Japanese in British colonies arouses feelings of deep indignation amongst the thoughtful section of the Japanese nation, who are smarting with a sense of the injustice under which they suffer. They do not forget that this attempted exclusion of their fellow-countrymen is based on the very principles for practising which Japan incurred, but forty years ago, the wrath of Europe and America. When the Japanese tried to exclude Occidentals from their country, they were compelled, at the point of the bayonet, to open their ports; and they fail to see why "Australia for the Australians" should be right, and "Japan for the Japanese" quite wrong.

As to the desirability of the presence of Japanese in our colonies, the following extracts from the annual report of the Rev. M. C. Harris, D.D., M.J.S., to the Third Annual Session of the Pacific Japanese Mission of the Methodist Episcopal Church of the United States, recently held at San Francisco, U.S.A., are noteworthy. The impartiality of Dr. Harris's testimony may best be proved by the broad-minded spirit in which he writes of the activity of the Buddhist missionaries on the Pacific Coast:—

Recently the Nishi Hongwanji has opened establishments in San Francisco, Sacramento, Fresno, and Seattle. The priests are active men, and are doing much good work for their countrymen. The methods and aims of the Buddhist and Christians are in many respects the same. and there is little or no friction—both seeking the welfare of the people.

And he goes on to say:—

The population of the Japanese is increasing by leaps and bounds. Last year fifteen thousand in round numbers came to the Coast. The numbers are being continually added to, owing to the demand for labour, opportunities for business undertakings, and the growth of commerce. The Japanese are leasing lands for fruit and sugar-beet culture, exhibiting the courage of initiative with success. All are ambitious for success. All are industrious and self-denying. Surely a hopeful class of men.

Such are the men that our otherwise progressive colony would reject from its shores! The Japanese Government has established Consulates at San Francisco, Seattle, and Portland. The Consults are trained and capable men, and have the assistance of a full staff of secretaries, so that the welfare of all classes is strictly attended to. The enlightened policy of the Japanese Government is worthy of all praise.

We are pleased to note that the contract for the entire equipment of the new electric tramways to be constructed at Lourenço Marques has been awarded to Messrs. Macartney, McElroy, and Co., of Victoria Street, Westminster. The value of the contract—which includes power stations, rolling stock, overhead lines, track, etc. —amounts to £100,000. Keen competition was met with from German and American firms, but Messrs. Macartney, McElroy, and Co. not only undertook to complete the work in three-quarters the time a German firm required, but their price was considerably below that of the Americans. Mr. Macartney is a member of the Japan Society, and has had considerable experience with electrical undertakings in Japan.

Quite a breezy discussion followed the reading by Mr. John Dixon of his paper on "Some Japanese Artists of To-day" at the recent meeting of the Japan Society. Mr. G. C. Haité, R.I., etc., in response to the chairman's invitation for some remarks from any artists who might be present on the pictures exhibited, declared that never in the last twenty years had he experienced such a disagreeable shock as he had that night. For many years he had admired and praised, on all occasions, the work of Japan, and had felt that the noble art of the country should be preserved. He was glad to learn from the lecturer that the pictures were not really representative, for the works he saw around him would only compare with that of tenth-rate schools in this country. Everything was put into the pictures that should not be there, and there was nothing shown that should be shown. He could not see a redeeming quality in any one of the pictures, and he considered it terrible if the art of Japan was to be brought down to the understanding of the British public. Mr. S. Kato, who possesses a very extensive knowledge of Japanese art and handicraft, spoke in favour of Mr. Dixon's paper, and said he hoped to see it translated into Japanese. Japan, he said, was in a state of transition, even in fine art. Their method was to grasp a situation, and to draw a picture "spontaneously from our heart."

Mr. Sutton Palmer (visitor) thought the onslaught by Mr. Haité was very unfair. He also thought that anything natural should be maintained, and that Japanese art, with its splendid simplicity, was very beautiful. But Japan was going ahead in all things, and he ventured the opinion that later on would turn out fine art in the Western style; yet he hoped she would continue to give the world, at the same time, some of their work in the old manner. Mr. Diósy appeared quite delighted with the discussion aroused. In spite of the remarks that had fallen from Mr. Haité, he admired some of the specimens exhibited that night very much. He did not, however, entirely disagree with what Mr. Haité had said. He allowed that the Japanese should not copy so much of our art, but, as Mr. Palmer had pointed out, it was inevitable, and it was quite possible that a generation hence, after these attempts, the Japanese might recognise that they preferred their old art, and would go back to it. But he fancied that, after a painful and slow process, they would evolve a new art of which we know nothing at all, and in which "they would combine their wonderful eye for colour, their marvellous dexterity, their innate decorative sense, to produce results which would, perchance, astonish and delight the world."

Mr. W. Harding Smith, R.B.A., member of Council, also took part in the discussion; and Mr. Dixon, in thanking the audience for its attention to his paper, said he believed the Japanese would go ahead and make the same advances in art as in other departments into which they had entered.

The directors of the Kioto Electric Traction Company are about to increase their plant by the addition of two 500 horse-power boilers by the Heine Safety Boiler Company, of St. Louis. The new engines are to be supplied by the McIntosh-Seymour Company, and the generators by the General Electric Company.

It seems tolerably certain that with the completion of the extensive harbour works now in course of construction, that Dalny will be the principal port of outlet for the immense amount of freight which is destined to be conveyed across Asia by the Russian railway system. Of course, Vladivostock, situated to the north, will claim a very large share of this trade, but the harbour at Dalny possesses the overwhelming advantage of being entirely free from ice during the whole year. This fact of itself is sufficient to make Dalny the most important Russian port on the Pacific coast. The port is free to the vessels of all nations. The harbour, as such, is one of the finest to be found on the entire coast line of Eastern Asia. At all seasons of the year vessels drawing 30 ft. can enter the port without the least inconvenience, and even on the flood tide, while it is not necessary to take a pilot on board. The works, when completed, will have cost upwards of £10,500,000. Of this sum £3,500,000 has already been expended. A great feature will be that cargoes will be able to be unloaded directly from the vessels and put straight into the railway waggons. Thus sea-borne goods arriving at Dalny will be loaded in trains in the port, and thence they can be despatched across Asia and to the Gulf of Finland without any change of waggon being necessary. Twenty thousand workmen are now engaged daily in building the port, dry-docks, and the town itself. The population is now already upwards of 50,000 souls, of whom the Chinese are naturally the most numerous.

For the illustrations which accompanied the article on "The Recent Elections in Japan," which appeared in our last issue, we are indebted to the courtesy of the author, Mr. Alfred Stead.

GREAT BRITAIN AND JAPAN.

FROM AN INDUSTRIAL AND ECONOMIC POINT OF VIEW.

V.—JAPAN'S FUTURE ROLE.

THE brief articles which have appeared under this heading have had as their chief object the reviewing of the relationship likely to exist between the two countries, and the effect of the development of our naval ally on this country. In the first article I referred to the geographical position of Japan, the relative positions of the United Kingdom and the United States, and the extent to which the latter was encroaching on the former in Japanese markets; and I warned British manufacturers that, unless they kept their eyes open and their energies alert and active, they would find themselves ousted from the position they still held. I then discussed the possibilities of reciprocal trade, giving a list of the various commodities which were at present exchanged between the two countries; and it was shown that Japan, in order to make use of the engineering, manufacturing, and industrial knowledge she was acquiring, would have to resort to a large import trade, into which, however, it is scarcely possible that Great Britain can enter very largely, having in view the vast resources and proximity of the United States. Attention was then turned to Japan's export trade, and, arguing on an analogy with Great Britain, it was pointed out that the former had not natural resources on so extensive a scale as this country, and few, if any, mineral or other deposits known up to the present, which she could employ in organising a large exchange trade. Seemingly this must be found in the form of manufactured articles, the most readily obtainable of which would probably be in textiles; for it must be remembered that a trade of this description must be in an article or commodity in universal requisition, and not one high in price and

Table Showing the Export Trade of Japan.

UP TO AND INCLUDING OCTOBER, 1902, AS COMPARED WITH THE CORRESPONDING PERIOD IN 1901.

EXPORTS.	October, 1902.	October, 1901.	Ten Months, 1902.	Ten Months, 1901.
MANUFACTURED ARTICLES.	*Yen*	*Yen*	*Yen*	*Yen*
Silk tissues, habutae	2,389,536	2,075,990	20,100,403	18,409,856
„ „ kaiki	340,526	290 770	2,063,031	773,128
Silk handkerchiefs	174,927	312,236	2,808,115	3,543 364
Cotton tissues	558,493	646,101	4,813,375	4,376,698
Carpets, hemp or cotton	63,819	33.433	541,331	541,857
Matches	749,385	884,239	6,846,437	6,214,066
Mats and mattings, Hanagoza	401,600	707,681	5,358,765	3,941,309
Porcelain and earthenware	239,523	235,945	2,110,781	2,112,721
Lacquered ware	68,336	78,432	750,887	863.872
Umbrellas, European	30,716	29,953	972,360	931,289
Others	2,170,354	1,991,347	16,042,691	13,015.734
Total	7,187,215	7,286,127	62,408,176	54,723,894
MANUFACTURED ARTICLES, HALF WROUGHT.				
Silk, raw	9,755.444	7,591,668	57 403.638	58,275,638
„ noshi and waste	938,642	696,647	4,001.387	2,960,420
Cotton yarns	2,295,293	1,885,794	14,751,024	17,438,000
Straw-plaits	339,042	244,643	2,229,755	.2,467,271
Tea	980,665	655,776	9,425,354	8,223,793
Camphor	310,839	232,592	2,810,661	3,425,064
Kanten or colle vegetable	28,745	139,294	1,048,240	1,109,404
Others	1,154,443	1,090,777	8,310,033	7,131,019
Total	15,803,113	12,537,191	99,980,092	101,030,609
RAW PRODUCTS.				
Coal	1,329,426	1,551,883	14,358,867	14,713 419
Rice	138,492	91,268	5,883,409	5,003,866
Cuttle-fish	197.930	255,943	1,545,714	1,413,911
Sea-weeds and cut sea-weeds	178.735	283,738	758,656	1,154,954
Mushroom, shiitake	86,636	54,736	676,739	691,039
Copper, coarse and refined	701,959	1,243,097	7,958,350	11,596,716
Fish oil	111,570	124,291	1,346 661	868,046
Vegetable wax	56,559	79,721	639,568	465,096
Others	1,292,977	1,659,877	9,394,908	10,761,370
Total	4,092 284	5,344,554	42,562,872	46,668,417
Grand total	27,082,612	25 167,872	204,951,140	202,422,920

the demand of which is restricted to a class of the population. These aspects of the relationship between the two countries have, of course, been very cursorily dealt with, the various points involved not having been elaborated to any length. However, they have probably been sufficient to bring home to the mind of the reader the great potentialities which Japan possesses. At present these possibilities are to a great extent dormant, and consist more in the people themselves than in the wealth with which Nature endows a country. And there is here a striking similarity between the two peoples we are dealing with. The Japanese have that enterprise, perseverance, and resource which have made Great Britain what she is, and the resultant forces of the British Empire what they are.

There are, of course, other interests which Japan is capable of turning her attention to, and making contributive to the national development. One of the chief of these is shipbuilding. As a country, Japan possesses fine facilities for the construction of vessels, and, provided only that material is readily obtainable, she has a very wide scope for building up a shipping industry. There is not much doubt that, had not Great Britain been so marvellously endowed by Nature with vast coal deposits, she would not now have at her command the bulk of the world's shipping industry. Japan, however, has a far larger country at her disposal, and, with a rapidly increasing population and industrial application, may be enabled to make up this deficiency. One has but to give a glance at a map of the Eastern hemisphere to recognise the admirable situation Japan occupies for the establishment of a large shipping trade. There is China, with its countless millions of people, whose minds and habits are scarcely yet touched with that wave of industrialism which is gradually spreading over the whole globe, and which will probably be hastened on by Japanese influence and activity. For who can doubt that the resources of China will not soon

Table Showing the Import Trade of Japan.

UP TO AND INCLUDING OCTOBER, 1902, AS COMPARED WITH THE CORRESPONDING PERIOD IN 1901.

IMPORTS.	October, 1902.	October, 1901.	Ten Months, 1902.	Ten Months, 1901.
GROUP I.	*Yen.*	*Yen*	*Yen*	*Yen*
Cotton raw	4,491,090	3,741,581	65,875,577	49,492,190
Cotton yarns	128,803	507,429	1,656,578	4,174,009
Wool	192,250	245,105	2,783,049	2,752,105
Iron nails	144,520	111,035	1,296,948	1,200,801
Rail	167,459	14,337	1,146,304	1,576,258
Iron, bar and rod	291,430	451,639	3,087,152	2.959,637
Other iron and steel	564,536	483,909	5 873,445	5,552,657
Indigo, dry	209,727	120,560	2,702,666	2,236,329
Paper (except Chinese paper)	405,130	102,329	2,999,720	1,970,007
Leather, sole and other	111,250	100,036	1,149,486	1,082,262
Machinery and engines	846,160	1,344,039	5,752,387	10,459,356
Locomotive engines, railway passengers and railway freight	55,964	114,550	2,426,391	2,393,569
Steam vessels	377,760	...	701,466	943,852
Others	3,684,608	3,048,832	28 902,785	29,410,057
Total	11,620,687	10,385,381	126,303,894	116,203,089
GROUP II.				
Mousseline de laine	507,250	314,822	2,839,926	2,951,800
Woollen and worsted cloths	304,049	110,544	1,765,042	1,247,120
Italian cloths	122,550	64,501	977,602	538,169
Flannels	47,152	37,977	457,141	296,962
Shirtings and cotton prints	847,046	325,389	8,207,589	3,520,466
Cotton satins and cotton velvets	356,329	142,970	2,536,186	1,826,883
Sugar, brown and white	2,354,484	330,700	11,258.083	33.059,910
Watches	21,072	17,635	183,172	357,369
Others	1,661,686	1,285,573	13,289,323	12,561,477
Total	6,221,618	2,630,111	41,514,064	56.360,156
GROUP III.				
Rice	3,541,838	341,118	11,944,649	11,449,155
Beans, peas and pulse	455,507	380,577	3,794,000	3,955,642
Kerosene oil	975,551	476,235	13,408,913	13,978,326
Oil-cake	1,074,448	1,005,805	8,870,456	7,531,266
Others	1,878,427	1,222,917	14,493,351	12,003,081
Total	7,925,771	3,426,752	52,511,374	48,917,470
Grand total	25,768,076	16,442,214	220,329,332	221,480,715
Total of exports and imports	52,850,688	41,610,086	425,280,472	423,903,635
Excess of exports	1,314,536	8,725,658	...	...
,, imports	...	...	15,378,192	19,057,795

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Represented in Japan by W. TOICHI TSUMURA.

attract the ambitious eye of the Japanese? There may, to some extent, lie a most potent factor in her industrial development. Then, what possibilities are offered by India and other countries in the Orient; while, still farther East, Australasia, with a huge continent, little developed as yet, but which in the course of years must yield and pay its toll to the world's requirements. By the time this arrives, it may be that Japan will not be burdened with a huge naval expenditure, as we ourselves are, the bonds of peace between the great manufacturing nations of the earth being those that minister to the due and rational development of their own resources, both personal and natural. It may be, however, that before that time arrives the arbitrament of war will have to be resorted to, and the conflicting elements and interests which have, during recent years, concentrated in the Far East been sorted out and sifted. For this, of course, Japan has well prepared herself in allying herself with this country. Such alliance is likely to be more beneficial industrially to Japan than it can at present be to us, politically or industrially, though in a measure the advantages are mutual, and provides us with a reliable representative on the spot, which is a matter of moment, considering that others are there also. In this connection also a further thought occurs —namely, the establishment of a large British naval station in Australia. The great and ever-growing interests in this part of the British Empire necessitate a greater security against attack at any point, and before many years are past, probably it will be forced home to English and Australasian Ministers that a powerful squadron is an essential to peaceful existence, and also to the preservation of our right in China and its neighbourhood. This would make our treaty with Japan a thing of greater reality, and provide a very effective defence against foreign encroachments, and against that day which, it is to be feared, is bound to come.

In nearly every instance Great Britain has had to lay the foundation of her dominions beyond the seas at the point of the sword. Japan, it is not unlikely, will do the same when her industrial possibilities have been so far developed as to need an outlet. This is, perhaps, a far-distant vision, but that it is certain to come there can be no doubt whatever. *Festina lente* is an excellent Latin motto. We have had to follow it ourselves; Japan will have to do the same.

But Japan is lucky. While the old country had to struggle through years of ignorance, and prepare the way for other manufacturing nations by laying the basis of all future industry and manufacture, Japan's awakening has come at a time when there is ready to her hand the perfected machine, the almost ideal method; when time has been reduced to a minimum in manufacture, and the greatest economy has been made possible. She is called "Happy Japan." She may well be termed "Lucky Japan."

S. O.

IRISH INDUSTRIES.

So much has been heard of the distress of "Old Ireland" that it becomes refreshing to learn that in one respect at least she not only holds her own, but has, during the past few years, made very appreciable advancement. We refer to the whisky industry, and especially the distillery of Messrs. H. S. Persse, at Galway. The whisky distilled by this firm is considered to be one of the purest on the market. No trouble is spared in providing the farmers of Galway with the very finest seed barley procurable, so that the best, and only the best, may be used in the distillation of this fine spirit. Persse's whisky is entirely free from patent grain or other blending materials, hence it comes about that it is the favourite Irish whisky sold in the House of Commons. It has been selected, before all competitors, for such places of popular resort as the Crystal Palace, Olympia, Doncaster, Liverpool, and Ascot race meetings. It is specially bottled for all the P. and O. Company's boats, where it meets with a ready sale. Made from home-grown Irish barley, the finest the world gives, with water which for softness and purity is unrivalled, under the constant and close superintendence of experts in the art of distillation, no wonder that Galway whisky has come to be looked on as an ideal beverage, as a safe stimulant, and as a most valuable medicine.

EXPORTS FROM THE UNITED KINGDOM TO JAPAN—NOVEMBER.

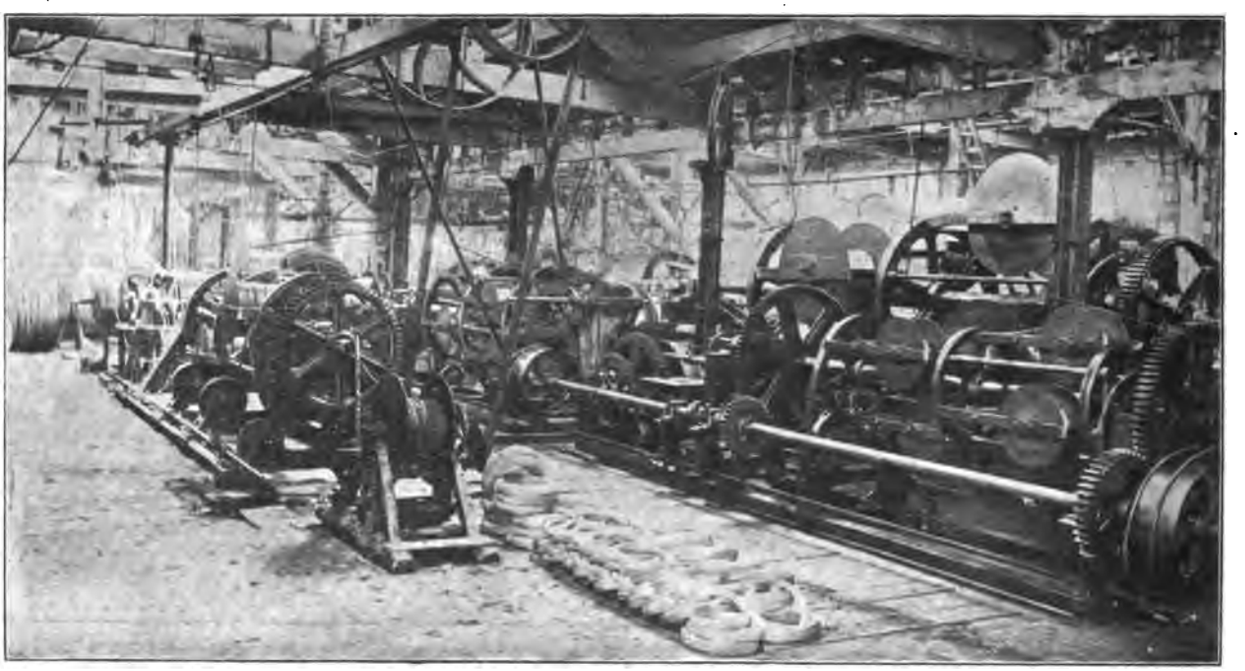
Description.	Value.		Total Value to Date.		Quantities.		Total Quantities to Date.	
	November, 1902.	November, 1901.	1902.	1901.	November, 1902.	November, 1901.	1902.	1901.
	£	£	£	£	lbs.	lbs.	lbs.	lbs.
Cotton yarn—Grey twist ...	3,515	34,343	115,508	414,660	75,200	682,700	2,281,500	6,935,600
Do. do. Bleached and dyed	953	292	841	3,017	6,000	11,300	13,900	44,700
					Yards.	Yards.	Yards.	Yards.
Do. Piece goods — Unbleached	7,278	35,759	484,853	350,221	803,600	4,305,500	261,133,600	205,916,000
Do. do. Bleached	8,875	15,003	140,438	77,394	879,900	1,472,900	13,606,500	6,965,600
Do. do. Printed..	18,692	12,712	250,117	70,388	1,432,400	1,118,400	20,348,700	5,625,100
Do. do. Manufactured or dyed	34,087	23,778	371,147	228,539	1,492,600	970,000	17,334,100	9,003,800
Woollen piece goods... ...	8,047	5,370	183,250	109,568	98,600	63,000	2,007,100	1,258,900
Worsted piece goods... ...	21,682	10,795	241,234	124,650	492,300	268,300	4,929,800	2,895,400
					Tons.	Tons.	Tons.	Tons.
Iron—Pig	4,724	4,025	45,347	73,340	1,790	1,601	16,669	27,279
Do. Angle, rod, etc. ..	3,618	5,266	34,459	47,944	378	439	3,586	4,636
Do. and Steel for railroads...	104	19	152,905	32,597	1	7	27,532	5,004
Do. do. and boiler plates	1,333	659	12,709	8,808	87	25	1,368	961
Do. do. hoops ...	53	163	2,125	604	6	25	277	84
Cast and wrought iron ...	7,433	9,450	113,627	120,169	571	888	7,801	10,393
Lead	627	449	18,106	23,394	54	33	1,140	1,226
Machinery (Textile)	6,956	12,961	69,222	130,744	—	—	—	—

BRITISH INDUSTRIES.—II.

MESSRS. BULLIVANT AND CO., LIMITED, WIRE ROPE-MAKERS AND CONSTRUCTORS OF AERIAL ROPEWAYS.

ONE has become accustomed to reading pessimistic views on the decline of British industries, and to being told that the trade of the country is rapidly going to the dogs. A visit to Messrs. Bullivant and Co.'s vast works, which are situated among the Poplar marshes at what is popularly (singularly enough) known as the Isle of Dogs, will, however, quickly dissipate this idea, for there, in full operation, is the greatest wire rope manufactory in the world.

The evolution of wire rope has been gradual since its conception in the year 1831, when for the first time it was used at the mines in the Hartz Mountains, until now it has reached the highest stage of excellence.



A GENERAL VIEW IN LARGE MACHINE SHOP.

Originally iron wire only was used in its construction, but about thirty years ago steel was introduced and eventually adopted, and now it is extensively used in all engineering enterprises, as also for the working of traction railways, mines, collieries, hoists, steam ploughs, lifts, etc., etc.

The introduction of flexibility into steel wire ropes, the invention of Mr. W. M. Bullivant in 1874, caused a revolution in what had already become a vast industry, for it soon became apparent that an ever extending field for the exploitation of the new flexible steel had been opened up, and in a remarkably short time flexible ropes were to be found working under conditions where formerly hemp and chain only had been possible.

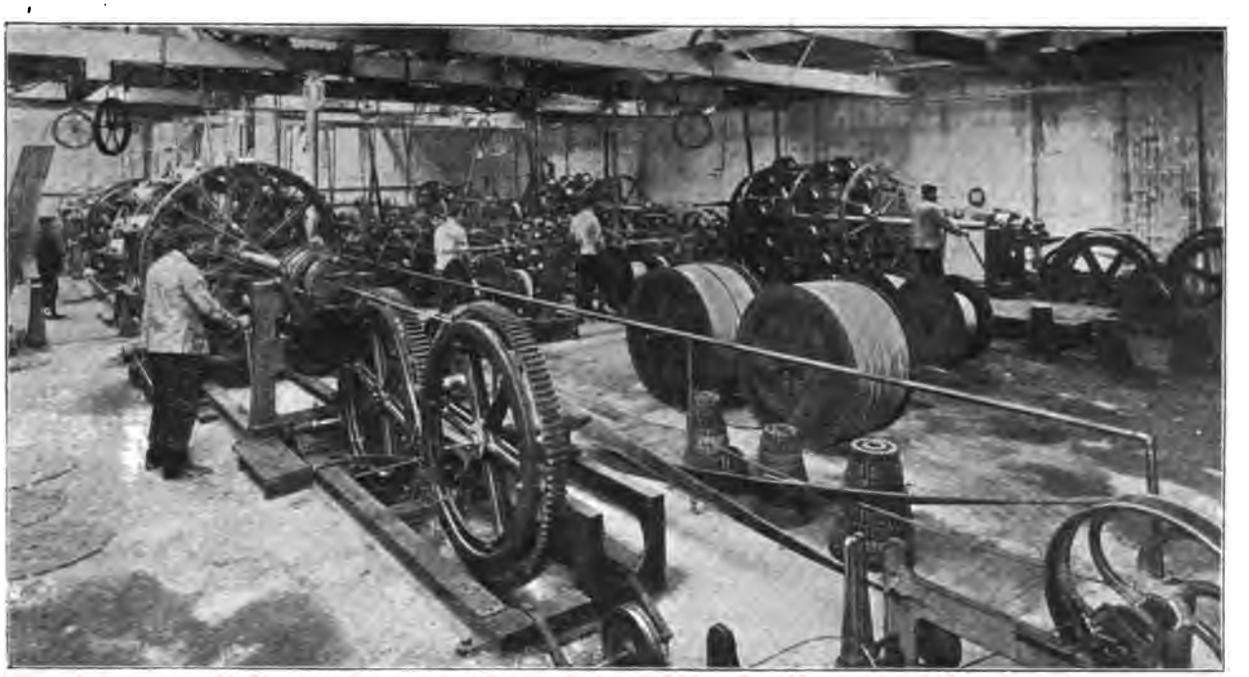
For tramways and hauling and colliery purposes, ungalvanized wire is used; for marine and other work where rope is exposed to water, galvanized wire, naturally, is employed; and here it may be interesting to explain, in part at least, the process of galvanizing wire as performed by the Messrs. Bullivant at their celebrated works. First the wire is passed through a bath of mild acid or potass until it is thoroughly sobered and cleansed. It then traverses a tank of molten zinc. There are many of these tanks, each having a holding capacity of about 18 tons of metal. Along the other side of the big shed in which the tanks are contained are larger baths than these, containing about 27 tons each of molten metal, and through these the wire is passed. When the wire has emerged from its hot bath, it is passed through a bed of sand or coke-dust, to prevent oxidation. It is then wound on reels, and, after a careful testing operation, is ready to be conveyed to another portion of the works to be worked into strands. Convenient lines of diminutive tramways, which traverse the works in every direction, help to render this conveyance a matter of little account. These lines run direct to the big machine shop, one of the most extensive things of the kind in existence, and here the wire is "stranded."

Some of the Machinery.

The manufacturing of wire and hemp ropes are very similar. The machinery is on much the same principle in one as in the other, saving always the necessary difference in strength suitable to the working of the two very different materials. There is quite a large growth of this sort of plant in the big machine room. It is of different sizes, and is employed in the evolution of quite a varied assortment of thicknesses of rope. The kind of wire rope usually dubbed a "laid rope," in spite of its practical unbreakableness, possesses a heart. Its other characteristics are strands of wire, and these

together—for the heart is really at the head of rope-making—form the foundation, around which six strands are coiled, each strand being itself made up of seven or more separate wires. What is called a "formed" rope is also made up of six strands laid round a heart, but the strands in its case contain a larger number of wires. In addition to these two classes, there is what is technically termed a "cable laid rope," which is made exactly like ordinary hemp rope, by closing six laid ropes together.

The machines are not only dissimilar in size, but have a different complement of bobbins. When the machine is at work, the bobbins revolve and uncoil the wire they bear. The different wires are all drawn to a centre, where they are ingeniously interlocked, and issue as one closely knitted whole. The larger or smaller number of wires and their gauge used in any case regulates the thickness of the resulting rope. There are, for instance, machines with six, twelve, eighteen, or twenty-four bobbins, but the rope is stranded the same way with all.



A GENERAL VIEW OF NO. 2 SHOP, SHOWING FOUR TRIPLE MACHINES AT WORK.

One of the machines used for this work is of the largest type known, and is capable of marvellous performances. It can throw off a rope 30 tons in weight in one length, and can make rope up 21 in. in circumference, with a breaking strain of 1.200 tons. Another extraordinary machine at work in the same department manufactures three miles of 4-in. wire rope per diem.

No matter how numerous the separate wires in a rope, it is of the first importance that each shall bear its due proportion of the strain. The wires are of special quality, and are seldom of a stout gauge, the thickness of the rope being obtained by the multiplication of the parts. A piece of this steel wire, known as ordinary mile-plough wire, '138 of an inch in diameter, will stand a breaking strain of 2,572 lbs., and its wonderful flexibility will permit its being twisted round its own diameter eight times and back.

Some Startling Performances.

Transport of materials by means of wire ropes has now become very general, and may be divided into two classes—the movement of material in suitable trucks running on rails laid on the ground, and kept in motion by wire ropes, such as is generally known as haulage, and the carriage of material in receptacles suspended or running on wire ropes at some height above the ground, known as aerial ropeway transport. The former system is largely used both above ground, in connection with quarries, etc., where the section of ground to be passed over is suitable, and also underground, in coal mines, etc. The latter system is employed for the transport of materials. It is taken over all descriptions of country, across rivers, ravines, etc., where no other means of transport can be used, or where obstructions have to be surmounted in the line of route. Such systems of transport have been constructed by the firm in all parts of the world to the extent of some 1,500 miles or more, in conjunction with Mr. W. T. H. Carrington, M.I.C.E., the consulting engineer of the firm, who has made a special study of these systems of transport during the past thirty years.

Six Systems of Aerial Ropeways.

The following are the sysems of wire rope transport now in practical operation, supplied by Messrs. Bullivant and Co., Limited:—

1. The Endless Running Rope, with carriers hanging therefrom, and moving with it through frictional contact.

2. An Endless Rope, with the carriers hanging therefrom, and moving with it, being rigidly fixed in position on the rope.
3. The Fixed Rope, in which the carriers are drawn along and hang from a fixed rope which acts also as a rail, returning on a parallel rope.
4. The Single Fixed Rope, in which one carrier is drawn to and fro, hanging from a fixed rope, by means of an endless hauling rope.
5. The use of Two Fixed Ropes, with an endless hauling rope, in which one carrier travels in one direction, while the other runs on a parallel rope in the opposite direction. This is a thoroughly serviceable type of tramway, capable of being used over extremely long spans, and of carrying loads up to 5 tons.
6. The use of One Fixed Rope placed on an incline on which carriers, uncontrolled by hauling ropes, from which are suspended loads, are allowed to run down at a high speed. This is generally called a "shoot."

ROPEWAY AT BEACHY HEAD.

The first system, named the running-rope system—of which there are more than 500 miles at work in all parts of the world—is most suitable for the carriage of materials in which the loads do not exceed 6 cwt. In this case the posts require to be placed from 100 to 200 yards apart, and the quantity transportable per day may be taken at from 50 to 500 tons. In some instances such lines are grouped all together, so as to extend for long distances, each section so grouped measuring about three to four miles in length. Similarly, in some cases such ropeways are grouped side by side on the same posts to the extent of three or four lines, such a group being capable of carrying from 1,000 to 1,500 tons per day of ten hours. Examples of such lines may be found in all parts of the world, working under most varied conditions, and over almost inaccessible routes.

The third system, in which two fixed ropes are employed, with carriers drawn along the same by means of suitable hauling rope, is especially suitable for the transport of quantities varying from 400 to 2,000 tons per day of ten hours. In this system the supports may be placed from 100 up to 1,000 yards apart, and the loads may vary from 5 cwt. to 20 cwt.

A Ropeway in Japan.

Among the examples of this system may be mentioned a ropeway in Japan. This line, about 1,800 yards in length, for the greater part on an incline of 1 in $1\frac{1}{2}$, is employed for the carriage of ore from the upper terminal to the lower. Such is the power generated by the descending loads that it is necessary to absorb the greater portion of it, and thus render the line amenable to the control of a hand brake. For this purpose a water brake was introduced, in which a revolving fan drives the water against fixed vanes, which again repels it. In this way some some 50 h.p. is absorbed, and the speed of the ropeway can be regulated to a nicety by adjusting the reaction vanes against which the water impinges. A small supply of cold water is provided to keep the temperature of the water employed in the brake at a sufficiently low temperature. Ropeways on this system have been constructed by Messrs. Bullivant in various parts of the world, a notable one being that in Peru, which has a length of nearly two miles on an incline of 1 in $1\frac{1}{2}$.

The fifth system, in which two fixed ropes are employed to span great distances on an incline, and the descending load, by means of a suitable hauling rope, draws up an empty carrier, which, in its turn being loaded, draws up the carrier which has already descended with its load after it has discharged the same at the lower end of the line, is largely in use in mountainous districts. It may be used where the section of the ground admits of the ropeway being worked by gravity, one carrier descending loaded, while the empty carrier ascends unloaded. With this arrangement spans up to 2,000 yards may be made without supports, loads up to 6 tons may be carried, and quantities up to 100 tons per day transported. In other cases steam power may be employed, and the loads moved from the lower to the upper terminal while the empty carrier descends loaded or unloaded, as may be

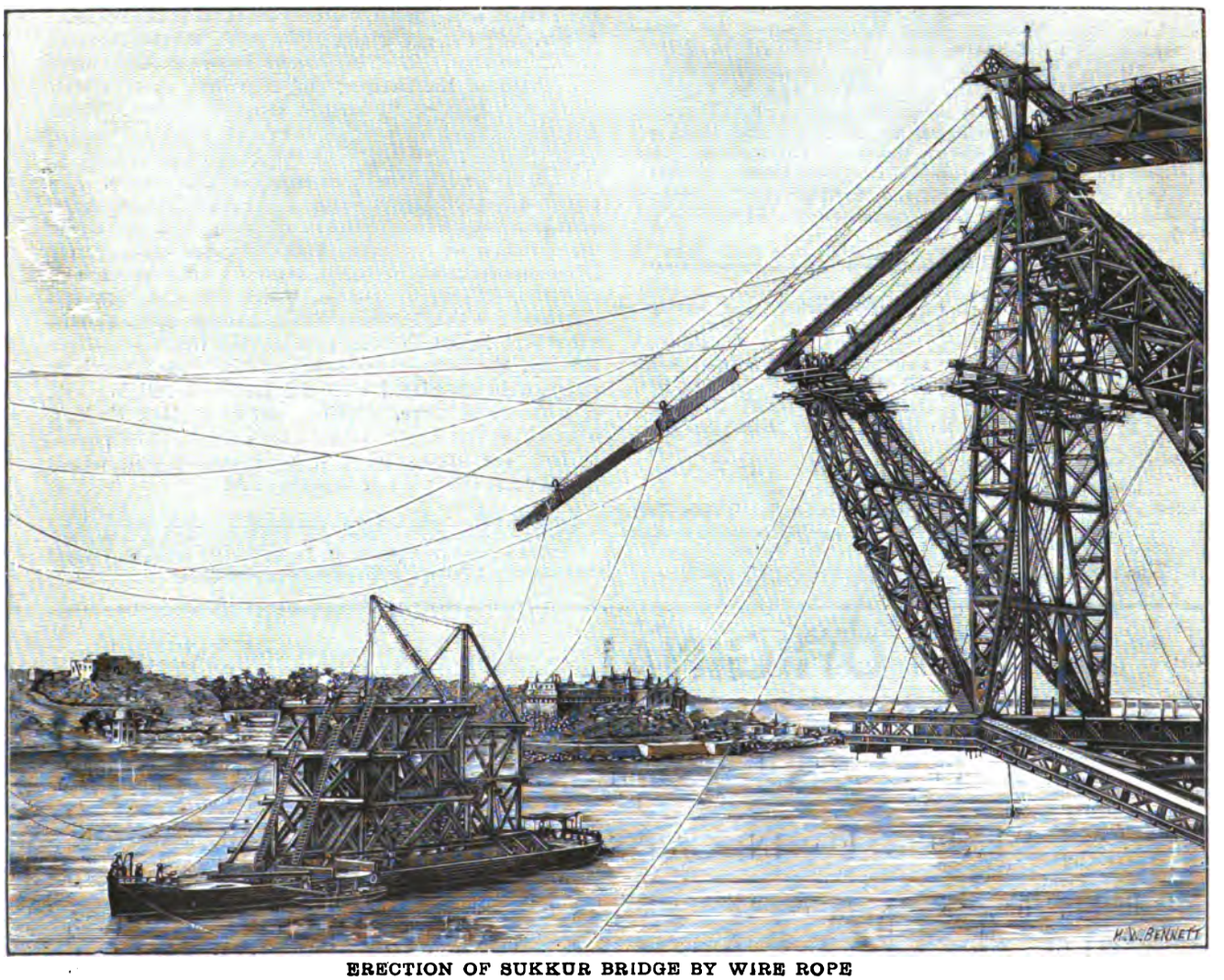
the case. Amongst the examples of this system of wire tramways may be named those in use in many places in the Pyrenees, at Gibraltar for the English Government, and at the Cape of Good Hope for the Corporation of Cape Town, etc., also at Hong-Kong for the carriage of workmen. This last line is of interest, as it is the only wire tramway which has been erected exclusively for the carriage of individuals. Each carrier accommodates six men; the elevation which it reaches at its upper end is not far short of 2,000 ft., and the length of the line is nearly two miles.

Among the recent ropeways constructed by Messrs. Bullivant and Co., Limited, from designs by Mr. W. T. H. Carrington, M.I.C.E., may be mentioned that of Beachy Head, which was used in building the new lighthouse, and conveyed blocks of granite weighing 4 tons from the top of the Head to the lighthouse at the sea-level, and carried the workmen to and from their work. Another ropeway was that constructed for the Port Elizabeth Harbour Board, which was arranged for the carriage of dynamite from an isolated staging in the bay to a depôt on shore.

On this ropeway it was desired to separate the carriage of dynamite from the carriage of other goods on the existing piers, and therefore a separate landing-stage was provided, alongside which barges and small vessels could lie, from which dynamite would be taken, and by means of the ropeway carried over the water and the surf to a terminal on land, alongside which the store for dynamite was erected. A small number of supports constructed of iron were placed in the sea, the spans being made long to reduce these to a minimum; a terminal constructed of iron was fixed on the staging in deep water, and a terminal constructed of timber was fixed inland near the depôt for dynamite. The posts between this latter terminal and the sea-shore were made of timber.

In order to raise the dynamite from barges and ships lying alongside the staging, the motion of the wire rope used on the ropeway for the carriage of materials was employed also to operate a crane capable of raising from the low-water level a quantity of dynamite in cases fully equal to that the ropeway could carry.

The whole of the work was of a high class and good design, and its capacity was severely tested by its use



ERECTION OF SUKKUR BRIDGE BY WIRE ROPE

for landing war material during the progress of the war in South Africa. The motive power was steam, which was placed at a distance from the landing terminal to remove all source of danger from the dynamite depôt. And yet another ropeway was one 350 ft. long for the City of Liverpool Corporation.

Wire ropes have now become an important factor in the laying of suspension bridges, and as far back as 1889 Messrs. Bullivant constructed the famous cantilever bridge over the Indus at Sukkur. It has a span of 820 ft., and a breadth of 79 ft. It was built without the aid of any scaffolding whatever, and entirely by means of wire ropes.

In addition to the manufacture of wire rope—which, it is claimed, is one-third the weight, one-fourth the cost, and far more durable than hemp—Messrs. Bullivant and Co. make all appliances for working in conjunction with wire rope, as blocks and tackle, reels, nippers, winches, etc., and are contractors for mining and hauling plant, and winding and hauling machinery.

FOLLOWING are the names of the recently-elected members of the Japan Society:—Mrs. F. von Fischer, Mr. Emile Garcke, M.I.E.E., Dr. John C. Griffiths, M. R.C.S., L.R.C.P., Elias Emily Sarah Bass, Dr. Stephen Worten Bushell, C.M.G., M.D., Physician to H.B.M. Legation, Peking, 1868-1900, member of Council, Royal Asiatic Society; Mr. Harold Rood, Mr. A. Craig, and Major Sir William Thomas Duprée, Mayor of Portsmouth. Mr. Soushiro Shickawa, LL.B. (Tokyo), late private secretary to the Minister of Finance, and Mr. Paul Arthur Sorg, of Middletown, Ohio, U.S.A., have been elected corresponding members.

BOOKS RECEIVED

"On the Coasts of Cathay and Cipango, Forty Years Ago." By William Blakeney, R.N. (*Elliot-Stock.*) 12s. net.

"Kotto: Some Japanese Curios, with Sundry Cobwebs." By Professor Lafcadio Hearn. (*The Macmillan Company.*) 6s. net.

"The Favourite Flowers of Japan." By Mary E. Unger. (*Boehmer and Co., Yokohama.*) 5s.

"A Journey Among the Gentle Japanese." By the Rev. Ll. Thomas, M.J.S., etc. (*Sampson, Low, Marston, and Co.*) 5s.

"Who's Who." 1903. (*A. and S. Black.*) 5s. net.

THE FAVOURITE FLOWERS OF JAPAN.*

JUST as we associate blue skies, white-walled houses, and languorous life with Italy, just as we picture Paris as a city of gaiety and beauty, so do we think of Japan as a land teeming with flowers that denote simplicity and purity of taste, a quiet love of beauty devoid of passion and pretence. To those who get their knowledge of the Land of the Rising Sun from books alone, Japan appeals as the land of repose, beauty, and modesty; and there is, perhaps, no more significant clue to a people's nature than the flowers which they most admire. Every land has its own, and it has become, in many instances, a national emblem. Strange it is that we of these islands, regarded by our rivals as rather crude and bombastic, should have as our national emblem the rose. France is more appropriately represented on its coins as a female. Germany has its eagle, so also has Austria and Russia, but no flower figures in their national heraldry. Japan's Imperial ruler has, as the chief feature in his heraldry, the sixteen-petalled chrysanthemum, a flower which has been cultivated in both Japan and China for centuries. This is the national flower, and for grace and beauty the chrysanthemum is hard to beat. After this comes cherryblossom, more the flower of the masses, and regarded, so says Mrs. Mary E. Unger, as the king of Japanese flowers. There are others, and all are beautiful, all seem to possess some characteristic which is reflected or bound up in the life of the Japanese, and especially the women. The camellia is "the Japanese rose." There the plant grows wild in great profusion, the flower being red, and never more than half opening. The cultivated plant varies in colours from white to red, several kinds being multi-coloured. Then, of course, there are wistarias, the clusters of which in some places measure from two to three feet in length; the peonies, the iris, the azalea, the lily, the lotus, "the flower of the gods," which is inseparably associated with the Buddhist religion—all of which, and more, may be read of in Mrs. Unger's interesting and highly artistic little book. The pages, in fact, are illustrated with a decorative skill which well reflects the spirit of Japanese art.

S. O.

* "The Favourite Flowers of Japan." By Mary E. Unger. Published by Boehmer & Co., Yokohama, Japan.

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CAMPHOR.

In view of the important part played by Camphor—one of Japan's greatest factors in commerce—the following particulars concerning the "camphor-tree" may prove interesting. As a drug, camphor has now become a necessity, since it cannot be dispensed with by the pharmacopœia, by the several industries which use it largely, nor by the Government. who employ it in the manufacture of smokeless powders The tree from which camphor is extracted and distilled is found in the south-east part of the Japanese Empire, as well as in Formosa, growing in forests, and sometimes as an ornamental tree in the Sacred Temple grounds. The trees are divided into two classes, and furnish the supply which practically provides the world with camphor. First, there are the Government forests, supervised by the Forest Department, but although they contain a considerable amount of camphor, so far as the supply is concerned they can only be counted on to a limited extent, as before the trees belonging to the Government of Japan can be cut down permission has to be obtained.

The production of these forests depends, therefore, on the liberality with which permits are given, but the greater part of the camphor supply—of which Japan's Governmental forests afford one-fifth of the total export—is derived from trees belonging to private individuals. Like the oak, the camphor-tree grows very slowly, taking several hundred years before attaining full size. There is consequently no chance for the present generation to derive any benefit from the trees now in course of being planted. The tree thrives more in the warmer parts, and given good ground, with plenty of sun, develops harder wood and greater internal strength, as well as more gum, than a tree growing in the moist and heavy soil of a shady valley.

The most ample camphor yield is obtained during the cold season, first on account of the sap contained in the tree being concentrated in the big roots and the lower part of the stem, and secondly the distillation can be done more efficiently by using cold water. This process of distillation is performed in a most primitive way on the banks of the nearest brook by a steaming process which extracts the oil, and this is carried off through a bamboo tube into a refrigerator worked by means of water. The camphor thus obtained is exported from Japan, and eventually reaches the refineries from whence it is distributed.

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Nippon Yusen Kaisha: Sailing List.

	Leaves London.	Leaves Middlesbrough.	Leaves Antwerp.	Arrives Kobe.	Arrives Yokohama.
s.s. Inaba Maru ...	Jan. 16	Jan. 3	Jan. 11	Mar. 4	Mar. 10
s.s. Hitachi Maru	Jan. 30	Jan. 17	Jan. 25	Mar. 18	Mar. 24
s.s. Wakasa Maru	Feb. 13	Jan. 31	Feb. 8	April 1	April 7
s.s. Kanagawa Maru	Feb. 27	Feb. 14	Feb. 22	April 15	April 21
s.s. Sado Maru ...	Mar. 13	Feb. 28	Mar. 8	April 29	May 5
s.s. Kawachi Maru	Mar. 27	Mar. 14	Mar. 22	May 13	May 19

STOCK AND SHARE LIST.

	Shares	Amount Paid.	Latest Closing Prices.
GOVERNMENT STOCK.			
Chinese Imperial Loan 7 per Cent. Silver, 1894 ...	£98	—	88 to 90
Chinese Imperial Loan 6 per Cent. Gold, 1895... ...	96½	—	105½ to 106½
Chinese Chartered Bank Loan 6 per Cent. Gold, 1895	106	—	105½ to 106½
Chinese Franco-Russian 4 per Cent. 1895	96½	—	102.70 fr.
Chinese Hong-Kong Bank 5 per Cent. Gold, 1896 ...	98¾	—	100¼ to 100½
Chinese Hong-Kong Bank 4½ per Cent. Gold, 1898...	90	—	91¼ to 92¼
Chinese Imperial Railway 5 per Cent. Gold, 1899 ...	97	—	96 to 97
Chinese Peking-Hankow Railway 5 per Cent. Gold, 1898	500 fr.	—	490 fr.
Japanese 5 per Cent. Consolidated Internal Silver Loan	—	—	46 to 48
Japanese 5 per Cent. War Loan Bonds	—	—	105¼ to 105¾
Japanese 4 per Cent. Imperial Government Loan, 1899	90	—	88¼ to 88¾
Japanese 5 per Cent. New Issue	—	—	100¼
Hong-Kong 3½ per Cent. Inscribed Stock	—	—	101 to 102
BANKS.			
Banque de l'Indo-Chine ...	500 fr.	125 fr.	1,010 fr.
Chartered of India, Australia, and China	£20	£20	42⅛ to 43½
Hong-Kong and Shanghai	28⅛	28⅛	62½ to 63½
Mercantile Bank of India (Ltd), "A" Shares ...	25	12½	10¾ to 11¼
Mercantile Bank of India (Ltd.), "B" Shares ...	25	12½	7 to 8
National Bank of China ...	—	8	2 to 2¼
CABLE COMPANIES.			
Eastern Extension Australasia and China	10	10	10¾ to 11¼
Eastern Extension Australasia and China 4 per Cent. Mort. Deb. Stock...	Stk.	100	107 to 110
Eastern Telegraph ...	Stk.	100	122 to 127
Eastern Telegraph Pref.	Stk.	All	90 to 93
Eastern Telegraph 4 per Cent. Mort. Deb. Stock...	Stk.	100	106 to 111
Great Northern	10	10	26 to 27
Telegraph Construction Co.	12	12	37 to 40

(*Continued on page* 128.)

STOCK AND SHARE LIST (*Continued*).

	Shares.	Amount Paid.	Latest Closing Prices.
Telegraph Construction Co. 4 per Cent. Deb. Bonds...	100	100	102 to 105
MISCELLANEOUS.			
China Mutual Steam Navigation Co. Pref.	10	10	11½ to 12½
China Mutual Steam Navigation Co. Ord.	10	£5	4 to 5
China Mutual Steam Navigation Co. Bonus ...	£7 10s.	£7 10s.	6 to 7
Chinese Engineering and Mining Co.	£1	£1	22s. to 24s.
Eastern Mortgage and Agency Co. Ord.... ...	10	10	3 to 4
Eastern Mortgage Founders	1	1	—
Eastern Mortgage 4½ per Cent. Deb. Stock... ...	Stk.	100	80 to 82
Hong-Kong and China Gas	10	10	13 to 15
Indo-China Steam Navigation Co.	10	10	7 to 9
Labuan and Borneo Co. ...	£1	1	—
Manila Railway Co. 7 per Cent., Cum. Pref. ...	10	10	1¾ to 2
Manila Railway Co. 6 per Cent. Debs.	100	100	52 to 54
Manila Railway Co. 6 per Cent. Prior Lien Mt. Bds. A	100	100	108 to 111
Manila Railway Co. 6 per Cent. Prior Lien Mt. Bds. B	100	100	102 to 104
Manila Railway Co. 1st Mortgage Certificates ...	100	100	100 to 102
Messageries Maritimes of France	500 fr.	500	304 fr.
North Borneo Trading Co. Ord.	10s.	9s.	6d. to 1s.
Pahang Corporation ...	1	10s.	10s. to 15s.
Pahang Corporation 10 per Cent. Pref.	1	£1	1⅜ to 1½
Pahang Kabang	1	19s. 6d.	1s. 9d. to 2s. 3d.
Pekin Syndicate, Ord. ...	1	1	5 to 6
Pekin Syndicate, Shansi Shares	1	10s.	½ to ¼
P. and O. Steam, 5 per Cent. Pref.	Stk.	100	133 to 136
P. and O. Steam, Def. ..	Stk.	100	222 to 225
P. and O. Steam, 3½ per Cent. Deb.	Stk.	All	103 to 105
P. and O. Steam, 3½ per Cent. 2nd Deb.	Stk.	75	74 to 76
Shell Transport and Trading Co.	1	1	1 1/16 to 1⅛
Shell Transport and Trading Co. 5 per Cent. Prefs	10	10	9¼ to 9¾
Siam Exploring Co. ...	1	—	3s. to 5s.
Suez Canal	20	20	152 to 157

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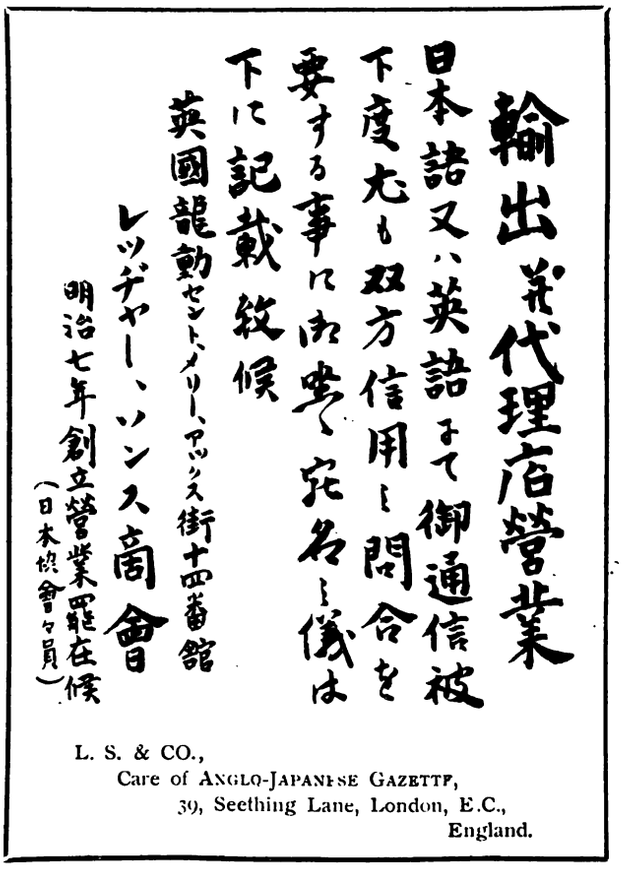
COMMERCIAL NOTES.

THE majority of the plant required for the electrification of one of the Tokyo suburban railways has been placed in New York. The boiler plant has been secured by a Chicago firm. Messrs. Bagnall and Hilles, an American firm having a branch in Yokohama, have received a contract for various material for the new road. The generators and engines will be supplied by the Siemens and Halske Company, of Berlin. The contract for the car trucks and motor equipments have not yet been placed. The initial equipment of the road will be fifty cars.

THE following plant for the new installation at the Hokkaido Colliery and Railway Company's works has just been shipped from New York:—Two 400 horse-power horizontal cross-compound engines. The generators are being supplied by Siemens and Halske, Berlin.

THE Tokyo Street Railway Company, controlled by Japanese capital, have awarded Messrs. Froyer and Co., of New York, the contract for 100 car trucks and motor equipments. American firms are also hopeful of securing large contracts in connection with the new electric line to connect Kobé and Osaka. This line will, in all probability, be in the hands of American capitalists, whose interests are in the hands of Mr. A. N. Brady.



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TAI-WAN.

(Formosa.)

Its Financial and Economic Position

By DR. SHIMPEI GOTO

(Civil Governor of Formosa).

(*Continued from page* 107, *Vol. I.*)

THE subsidy already alluded to is being diminished year by year, as the colony gains strength, and from £694,000 in 1896 the total fell in 1901 to £238,000 only. Conversely, the Formosan revenue grew from £271,100 in 1896 to six times this amount—viz., £1,637,000—last year; and it is computed that by 1910, if not earlier, the colony will be entirely self-supporting. The new land survey has already added £100,000 to the annual revenue, though as yet but partially carried out, and after 1905, when the new regulations will have full effect, the addition to the colonial income from this source will be at least £200,000 per annum more.

Interstate Trading.

Mention of an annual subsidy seems at first sight to negative the proposition that Formosa already yields a profit to the home Government. Yet the fact can be established without difficulty. Substantial benefits are being derived from the interstate commerce between colony and motherland, a trade that already amounts in the aggregate to close upon two millions sterling per annum.

The profits enjoyed thereupon by Japan proper being quite 15 per cent., or £300,000, in the twelve months, they constitute something more than a mere set-off to

TABLE II.

FORMOSAN TRADE RETURNS.

	1897	1898	1899	1900	1901
FOREIGN TRADE—£	£	£	£	£	£
Imports ...	1,266,000	1,687,000	1,4[illegible]8,000	1,357,000	970,000
Exports ...	1,276,000	1,283,000	1,111,000	1,057,000	1,188,000
INTERSTATE TRADE—					
Imports ...	374,000	428,000	802,000	845,000	912,000
Exports ...	211,000	420,000	378,000	468,000	872,000
TOTALS—					
Imports ...	1,640,000	2,115,000	2,230,000	2,202,000	1,882,000
Exports ...	1,487,000	1,703,000	1,489,000	1,525,000	2,060,000

the grant in aid, which last year was reduced to £238,000, and will before the year 1910 be entirely extinguished. The profits on the interstate trade, on the other hand, are bound to grow. Moreover, if we go back a little way, we shall find that the mother country's commerce with Formosa has from the beginning amounted to not less than seven millions sterling; and if upon this gross value we take 15 per cent. as the share of clear profit that Japan proper has obtained from the trade, we have over a million sterling as the result—a sum that represents a fair return for an investment of capital, so to term it, equal to £12,182,000,

TABLE III.

SUBSIDY FROM HOME GOVERNMENT COMPARED WITH PROFITS ON INTERSTATE TRADE ACCRUING TO MOTHER COUNTRY.

	1897	1898	1899	1900	1901
	£	£	£	£	£
Subsidy from Home Government ...	1,290,000	398,000	300,000	260,000	238,000
Profits accruing to Home Government	88,000	127,000	183,000	249,000	324,000
Balance against Formosa... ...	1,202,000	271,000	117,000	11,000	—
Balance in favour of Formosa ...	—	—	—	—	86,000

which is the precise sum that the mother country has expended upon the colony since it was acquired from China.

It will perhaps be admitted that when a colony can be shown to have been of profit to the motherland in even the first seven years of its existence, proof has been given of a vitality and of capabilities in general that are indubitably above the average.

Tai-Wan in Japanese hands has achieved this distinction. The facts can be set forth in another way, and possibly with greater force still. As previously shown, after subtracting the revenue of £5,930,000, collected in Formosa during seven years, from the gross expenditure in the same period of £18,112,000, we have an actual outlay in all by the mother country upon the colony of £12,182,000. But last year's revenue, independent of subsidy, rose to £1,637,000. The yield upon outlay was thus nearly 13½ per cent. If it be argued that it is unsafe to take the gross revenue of the colony in this way as a basis of comparison against the total capital sunk, as it were, in the islands, we may turn once more to the item of subsidy, and trace the profits, year by year, on the interstate trade which have accrued to the mother country upon that basis of calculation alone.

In 1896 the grant was £556,000, against which the interstate profits to Japan proper were £105,000—in other words, a ratio of profit to subsidy of 17·66 per cent.

In 1897 the ratio was 38·49 per cent.; in 1898 it was 72·66 per cent.; and in 1899 it reached 84·18 per cent.

In 1900, as shown elsewhere, the ratio was entirely changed, and the gains far exceeded the subsidy, the total profits having been £378,000, against a subsidy of £238,000.

Whichever way we look at it, Formosa can no longer be regarded as a burden upon the Japanese Imperial Exchequer. It is, in respect of its financial condition, practically independent.

The Foreign Trade of Taiwan (Formosa) for November, 1902, with comparison to corresponding period of the previous year.

	November.		Eleven months ending November.	
	1902.	1901.	1902.	1901.
	Yen.	*Yen.*	*Yen.*	*Yen.*
Exports	1,419,307	580,770	12,254 564	7,226,628
Imports	921,194	598,898	8,494,554	10,409,511
Total	2,340,501	1,179,668	20,749,118	17,636,139
Excess of exports ...	498,113	...	3,760,010	...
„ „ imports...	...	18,128	...	3,182,883
Exports, specie and bullion	11,639	43,498	561,811	1,313,589
Imports, specie and bullion	315,022	10,911	4,101,406	869,993
Excess of exports ...	...	32,587	...	443,596
Excess of imports ...	303,383	...	3,539,595	...

The Resources of the Colony.

The future of Tai-Wan is eminently hopeful, for it is based upon rich agricultural and mineral resources. Tea, rice, sugar, hemp and flax, indigo, paper, silk, cattle, and marine products, coal, sulphur, and petroleum, are all features of the Formosa trade. The steps taken by the Government to encourage the industries which depend on these products cannot fail to be beneficial, and the State revenues are being increased by the progress made. Sugar affords a case in point. If Formosa's sugar industry should maintain for the next few years its present rapidity of development, the import of this article from foreign countries into the Japanese Empire will unquestionably be checked in a very appreciable degree. Formosa tea may be improved in quality by better cultivation and preparation, and may recover in America the high character that it once bore there, for Oolong is a tea that is peculiar to the island. Two crops of rice are annually obtainable in most parts of Formosa, and there is room for improvement in quality as well as in the quantity produced.

EXPORTS FROM THE UNITED KINGDOM TO JAPAN—DECEMBER

Description.	Value.		Total Value to Date.		Quantities.		Total Quantities to Date.	
	December, 1902.	December, 1901.	1902.	1901.	December, 1902.	December, 1901	1902	1901
	£	£	£	£	lbs.	lbs.	lbs.	lbs.
Cotton yarn—Grey twist ...	4,457	20,487	119,965	435.147	58,900	505,400	2,340,400	7,441,000
Do. do. Bleached and dyed	581	9	1,442	3,026	11,600	200	25,500	44,900
					Yards.	Yards.	Yards.	Yards.
Do. Piece goods — Unbleached	9,923	29,906	494,776	380,127	1,058,500	3,823,500	53,307,100	38,539,200
Do. do. Bleached	14,720	13,207	155,158	90,721	1,345,000	1,342.300	14,951,500	8,307,900
Do. do. Printed..	23,313	12,801	273,430	83,189	1,820,900	1,083,800	22.169,600	6,708,400
Do. do. Manufactured or dyed	35,670	19,445	406,850	247,984	1,345,100	759,400	18,688,200	9,763,200
Woollen piece goods... ...	18,332	5,638	201,632	115,208	177,900	42,100	2,185,000	1,301,000
Worsted piece goods... ...	25,564	4,653	266,798	131,303	501,500	112,200	5,431,300	3,007,600
					Tons.	Tons.	Tons.	Tons.
Iron—Pig	5,987	3,695	51,334	77,035	1,774	1,527	18,443	28,806
Do. Angle, rod, etc. ..	1,358	5,076	35,817	53 020	180	574	3,666	5,206
Do. and Steel for railroads...	17,947	—	170,852	32,597	3,316	—	30,848	5,004
Do. do. and boiler plates	2,070	107	14,779	7,239	295	12	1,663	744
Do. do. hoops ...	—	—	2,125	604	—	—	277	82
Cast and wrought iron ...	10,993	10 841	124,620	130,965	771	741	8,572	11,120
Lead	226	2,064	18,332	25,458	18	139	1,158	1,365
Machinery (Textile)	8,676	13,134	77,898	143,384	—	—	—	—

Under Baron Kodama's proposals in 1898, the annual revenues and expenditures upon which he based his loan scheme of 3½ millions sterling was to be calculated as shown below. The later scheme of 1902 provides for its extinction in 1922, instead of 1918, as also shown:—

TABLE V.

THE ORIGINAL TWENTY-YEARS' SCHEME COMPARED WITH LATTER PROPOSAL.

	REVENUE.			EXPENDITURE.		
	ESTIMATED RECEIPT PER ANNUM.*			ESTIMATED YEARLY EXPENDITURE.*		
	Under Orignal Scheme.	Under New Scheme.	Increase.	Under Original Scheme.	Under New Scheme.	Increase.
1899	1,271	—	—	1,215	—	—
1900	1.226	—	—	1,190	—	—
1901	1,224	—	—	1,156	—	—
1902	1,250	1,511	261	1,167	1,418	251
1903	1,278	1,589	311	1,167	1,450	283
1904	1,404	1,687	283	1,175	1,482	307
1905	1,454	1,815	361	1,209	1,495	286
1906	1,473	1,875	402	1 211	1,516	305
1907	1,490	1,889	399	1,210	1,529	319
1908	1,510	1,904	394	1,214	1,525	311
1909	1,540	1,932	392	1,248	1,517	269
1910	1,476	1,900	424	1,204	1,511	307
1911	1,517	1,905	388	1,211	1,504	293
1912	1,563	1,888	325	1,220	1,401	181
1913	1,615	1,906	291	1,231	1,382	151
1914	1,673	1,895	222	1,244	1,367	123
1915	1,739	1,914	175	1,258	1,351	93
1916	1,813	1,925	112	1,276	1,335	59
1917	1,839	1,916	77	1,273	1,314	41
1918	1,867	1,920	53	1,271	1,308	37
1919	—	1,924	—	—	1,302	—
1920	—	1,911	—	—	1,297	—
1921	—	1,923	—	—	1,293	—
1922	—	1,928	—	—	1,282	—

*NOTE.—The figures given represent not units but thousands.

The Japanese Government is, therefore, well advised in directing special attention to the industrial and agricultural progress of the colony. The annual output of gold is now only about £100,000, but it may be augmented; and coal, sulphur, and petroleum deposits are all to be found and profitably worked in the island.

The following is a brief summary of the financial situation:—

Total amount expended in seven years by Japanese Government on Formosa ...	£18,112,000
Total amount of revenue collected in the islands to end of 1901	5,930,000
Difference	12,182,000
Deduct for military expenditure in seven years	8,326,000
The entire expenses of Civil Government (obtained partly by loans (£1,300,000) and partly by subsidies from the Imperial Government) were thus	3,856,000
Of this sum no less than ... ... were expended upon public works, such as railways, telegraphs, harbour improvements, and certain industries fostered by the State, the net cost of administration, therefore, having amounted in seven years to...	3,072,000 £784,000

The rate per annum was thus £112,000, and as the area is 15,535 square miles, the average cost of administration for the colony was £7 4s. 1d. per square mile per annum.

OBITUARY.

WE regret having to announce the death of Sir Edward Stock Hill, K.C.B., M.J.S., who was one of the most popular and active members of the Japan Society. Born in 1834, Sir Edward was son of the late Mr. C. Hill, of Bristol. In 1866 he married a daughter of General R. Tickell, C.B. He was a Justice of the Peace for Glamorgan (High Sheriff, 1888) and Cardiff, and was a partner in the firm of Messrs. Charles Hill and Sons, shipowners, Bristol; Provincial Grand Master of Freemasons for South Wales since 1890; President of Chamber of Shipping of the United Kingdom, 1881; President of Associated Chambers of Commerce, 1888-91; Colonel Commanding Glamorgan Artillery Volunteers; Knight of the Swedish Order of Wasa; and sat for South Bristol, as a Conservative Member of Parliament, from 1886-1900.

Two French members of the Japan Society (London) have also passed away in the persons of Monsieur Paul Brenot and Monsieur Charles Mourier.

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THE HOUSE TAX QUESTION IN JAPAN.

By Alfred Stead, F.S.A.

Before the revised treaties came into force, the foreign residents in Japan, living in the special settlements, enjoyed the privileges of practical immunity from taxation, except for the nominal rent due from them. When they received, under the new treaties, the privileges of Japanese subjects, they were very loth to think of giving up this privilege of exemption from taxes. So it was that the foreign inhabitants protested against the idea of paying taxes upon the houses which had been built upon the land granted them by the Japanese Government. They claimed that the land and anything built upon it were one and the same thing, and therefore they were not bound to pay taxes on their homes. The taxes which the Government wished to impose were municipal ones for the defraying of the expenses caused by the improvements of the towns. Formerly, of course, the residents, although they felt themselves privileged to criticise, often most unfairly, the municipal management of the Japanese, did so while not paying any taxes towards the expense.

Now, when they have the chance to help supply money to be spent on improvements, and thus earn the right of effectual criticism on the way that money is applied, they refuse! A German newspaper once delivered itself of the following conclusion which it had arrived at with reference to British opinion, which was that every Englishman felt that he should be allowed to have a vote wherever he might step off a train. It would seem, in Japan, that the foreign resident feels that he should have all the privileges of the Japanese subject, with none of the attendant duties, except that duty so near to the human race, the making of money.

The whole misunderstanding is aroused about the correct reading of the following paragraph of the Treaty of 1894 (Art. xviii.):—

> The several settlements in Japan shall be incorporated with the respective Japanese communes, and shall thenceforth form part of the general municipal system of Japan. . . .
>
> When such incorporation takes place, existing leases in perpetuity, under which property is now held in the said settlements, shall be confirmed, and no conditions whatsoever than those contained in such existing leases shall be imposed in respect of such property.

The Diplomatic representatives of the various Powers in Japan were not at all agreed upon this question. The late American Minister at one time expressed himself as holding the Japanese view, although later, for the sake of unanimity, he acted in some measure with the other Ministers. Captain Brinkley has written as follows in the "Times":—

> The foreign resident claims that he is exempted conventionally from any obligation to pay house-tax. The Japanese authorities deny that any such exemption is granted by the revised treaties. The matter thus resolves itself into the interpretation of a written agreement, and since no *viâ media* is visible, nor does any side show any disposition to accept the other's view, arbitration is evidently the only satisfactory exit from the deadlock.

This question of arbitration did not recommend itself to many Japanese authorities, since, under the laws, they had a perfect right to collect the tax, even against the desire of the foreign communities. A desire, however, to avoid irritation and a lasting unpleasantness, led them to regard arbitration as desirable—this, not because they feared any international complication should they refuse to arbitrate, and insist upon their right, existing under the law as it stood, of collecting taxes, but out of a spirit of friendliness and good sense. They felt that it was better to concede a point rather than that the foreigners should cry out perpetually at their hard luck in having to pay taxes that they did not wish to pay. The Japanese side of the question was put very clearly by Mr. Sakutaro-Tachi, assistant professor of the University of Tokyo, in a letter to the "Times":—

> Some thirty years ago the Japanese Government prepared, at its own expense, the sites for building purposes within the limits of various foreign settlements, and leased the bare land to foreigners on payment of a small sum, utterly insufficient to reimburse the expenditure incurred by the Government for the preparation. . . . The Japanese Government certainly could hardly have expected that this very liberal measure would be requited with such an outburst of condemnation against itself thirty years later, when it allowed municipalities to impose a tax on houses built upon the leased land. This is the more striking because the tax imposed is similar to the tax paid by the Japanese subjects, and is levied solely for municipal purposes. Now that the municipal expenditure has enormously increased, it seems unfair for foreign residents, who share in the benefits of municipal works, to evade contributing an equitable part of the total expenditure, under the plea of the alleged illegality of the taxation. But, leaving the practical point of view, let us turn to the legal position, and see what arguments the Japanese Government can adduce on its behalf. The question whether the house-tax imposed by the municipalities is illegal turns upon this point—whether buildings erected after the lease are to be deemed, in this particular case, a part of the property held under the lease in perpetuity, as well as the land itself. If this is not the case, then the buildings do not share in the immunity from taxation secured from the new treaties. (Article 18 in the new Anglo-Japanese Treaty.) The articles in the new treaties respecting the lease in perpetuity confirmed the leases, which already existed by prior compacts as they stood. . . . The original compacts were made for the leases of bare land, especially prepared for the use of foreigners. So the property considered in the original compacts to be the object of the lease was evidently restricted to land. In the law of some Treaty Powers, the application of the maxim, "Quid quid plantatur solo, solo cedit," is recognised to a very wide extent. But with the Japanese legal notion, which has since passed into a code, this is not the case. Buildings erected after the lease are never considered to be included as property held under the original lease. Now, according to various authorities, when terms used in a compact have a different legal meaning within the two contracting states, they are to be considered in the meaning which is proper to them within the State to which they apply, or upon which the obligation is imposed. . . . Concerning the leases in perpetuity, Japan stands in exactly the same position as the State last mentioned, and, consequently, according to the spirit of these authorities, such interpretation of the original compacts as is consonant with the Japanese conception must be preferred.

The foreign communities chose to consider that the decision to refer the matter to arbitration allowed them immunity from paying the arrears of taxes. The Japanese Government insisted upon exercising its rights, and, as the foreigners were not able to pay under protest

by the existing laws, distrained goods to the value of the taxes. This action called from the foreigners an unlooked-for insult in the way of an expressed doubt of the Government's intentions to give back the money should the arbitration decide against Japan. In this, as, indeed, all through the proceedings, they appear to have shown a lamentable lack of knowledge of the methods of arbitration, and a still more lamentable lack of knowledge of the country from which they are making their living. The real thing which at last literally forced the Japanese Government to distrain was the fact that the foreign committees at Kobe gathered together and, metaphorically speaking, hurled defiance at the head of the Government. It is from a letter written to the "Times" by the chairman of this gathering that I give some extracts. They seem to represent, more completely than anything else, the case against the Japanese Government as held by the foreigners:—

Dr. Ichiro Motono.

The dispute that has arisen is as to the meaning of the word "property." Foreigners contend that it includes both the land and whatever is erected on the land. The Japanese Government refuses to accept this interpretation, and declares that the "property" referred to is the land pure and simple. Acting on this interpretation, the Japanese Government has imposed a house-tax on the property for municipal purposes, so that, besides paying the municipal rate collected in the form of "rent," holders of perpetual leases are called upon to pay another municipal rate in the form of a tax upon the houses. The question of enforcing a house-tax has been the subject of much correspondence between the Japanese Government and the foreign representatives during the last two or three years, without coming to an agreement, and, despite the protests made by the foreign representatives, the Japanese Government at last announced that it was determined to enforce the tax. Instructions were sent to the municipal authorities at the various ports, ordering them to collect the tax, and, if necessary, enforce the law against delinquents. It then became necessary for individual foreigners to consider what course they should take in view of this action of the Japanese Government. It was therefore determined in Kobe to call a meeting of leaseholders, and, as the matter was one affecting treaty observance, to ask foreign residents generally to attend, with a view to discuss what measures should be taken. In other words, the case resolved itself into whether leaseholders should pay the tax on application or make a protest by compelling the authorities to distrain on their goods. The meeting, which was held on February 26th, was the largest and most representative ever held in Kobe. The proceedings were animated with a tone of dignity and moderation, as was acknowledged by the entire foreign Press in Japan. The following resolutions were passed unanimously:—Resolved (*a*) That this meeting protests against the levy of the municipal house-tax on property held by foreigners under the Government perpetual lease, on the ground that, in their opinion, it forms a violation of the conditions under which the property was purchased, and is an infraction of the treaties conforming those conditions; (*b*) that, in the opinion of this meeting, land renters should not pay the house-tax until the question has been finally settled between the foreign representatives and the Japanese Government; (*c*) that the chairman of this meeting be empowered to inform the city authorities to this effect, and to forward a copy of these resolutions to the foreign representatives in Tokyo and to His Excellency, Mr. Komura, Minister of Foreign Affairs.

The question to come before The Hague Tribunal lies between the Japanese Government, on the one hand, and England, France, and Germany, on the other. Each side is represented by one judge, and these two judges choose a third from among the judges of The Hague Tribunal, or else ask the King of Sweden to act as third member. To represent Japan, Mr. Motono has been chosen; he is Japanese Minister in Paris, and was delegate to The Hague Peace Conference. A drawing of lots among the representatives of the three opposing nations resulted in the appointment of M. Renault, the French candidate. M. Renault was also at The Hague Conference, and is a well-known authority on international law. He was born in 1843, and speaks only French, having been solely educated in France. To quote his own words—

"I have written much on the question of international and private rights, without, however, having written any special treatise. I have also drawn up, in connection with M. Ch. Lyon Caen, a treaty of commercial law. I have taken part in France, and abroad, in many international conferences. Finally, I am a member of the l'Institut de Droit Internationale, of which I was President in 1894." M. Motono is also a well-known authority on international law, and speaks French very well. The proceedings will probably be carried on in French and Japanese. A considerable time must elapse before the case comes up for hearing, since eight months are allowed for the preparation of the charges, and six months for that of the counter charges.

M. Louis Renault.

A. S.

It is reported that, owing to the growing commercial relations between Japan and Manchuria, the Japanese Government have decided to establish a Consulate at Khalbin. This will form a branch to the existing Consulate at Newchwang.

With reference to the announcement made in our last issue referring to the supply of lighting plant for the Oriental Palace Hotel at Yokohama, we are now at liberty to state that this contract, together with a very extensive system of electric heating and ventilating appliances, was placed by the well-known firm of Messrs. Takata and Co., of Yokohama, London, and New York.

JAPANESE SHIPPING.

Mercantile Marine and Naval Defence.

The advance in Japan's shipping trade, as well as in its general oversea traffic, has made the need for an adequate navy more important than it was a few years since, when security from attack at home was the primary consideration. And in this connection it may be of interest to analyse the figures recently published by the British Board of Trade showing the naval expenditure of the principal Powers, and their relation to mercantile marine and to trade. I have therefore prepared the following table, showing, for each of the countries mentioned—(1) the naval expenditure on sea-going warships, (2) the expenditure per ton of mercantile marine, and (3) this same expenditure per cent. of the total volume of oversea trade. The official figures do not, unfortunately, all relate to the same year, but, generally speaking, they are for 1900 or 1901 :—

Naval Expenditure.

	Naval Expenditure on Sea-Going Vessels.	Per Ton of Mercantile Marine.	Per cent. of Over-Sea Total Trade.
	£	£	
United Kingdom	33,302,260	3·47	3·6
British Empire..	33,988,280	3·12	2·5
Russia	9,944,751	15· 7	12·6
Germany ..	9,624,956	4·95	1·8
France	13,356,102	12·	4·2
Spain	1,437,688	1· 9	2·4
Italy	4,666,098	4·67	5·9
Austria	1,812,117	7·	7·
United States ...	16,012,433	18·	3·3
Japan	3,711,526	4· 3	6·2

It will be observed that Japan's naval expenditure, measured in terms of its mercantile marine, is nearly the same as those of Germany and Italy, but far behind those of Russia, France, or the United States. It is in excess of that of the United Kingdom. Measured by the total value of oversea trade which would have to be protected in time of war, it is in advance of the corresponding figures of all the other Powers except Russia and Austria—the latter hardly counts. As the greater part of Japan's trade is carried in foreign vessels, principally British, the same need for protection does not exist as in the case of the British Empire. The figures for Russia, as Japan's nearest neighbour, except China, in the East, are of special interest. The Russian mercantile tonnage is a good deal less than that of Japan, and its oversea trade is not much greater, while its naval expenditure is nearly three times as much. Russia has, however, its European interests to safeguard, while Japan has the advantage of concentration.

I may, perhaps, say here that, as Japan's interest in a powerful navy grows every year with the expansion of its trade, it is anticipated in England that the naval expenditure will considerably increase. At the same time, any loan issued by Japan for the purposes of naval expansion would not be popular in London, and any attempt to place one is to be deprecated. The recent borrowings in London of our Far Eastern ally have been favourably met, but it is felt that Japan has done enough at present in that direction. The character of "hardy beggar" is not a good one to get in London, and, when got, it is uncommonly difficult to be rid of.

Nippon Yusen Kwaisha.

Although Japanese steamship lines have only been known in Europe for the last five years, the development of this branch of Japanese industry dates much farther back. The Nippon Yusen Kwaisha (Japan Mail Steamship Company) was formed in 1895 by the amalgamation of the Mitsu Bushi Kwaisha and the Kyodo Unyu Kwaisha Companies, its only rivals being the Toyo Kisen Kwaisha and the Osaka Yusen Kwaisha. The local shipping and shipbuilding is, of course, subsidised by the Government, but even with this aid, it was some years after the revolution of 1867 before capital was to any important extent embarked in this new branch of industry. In 1885 Japan possessed 461 steamers, of a tonnage of 95,975, and 509 sailing vessels, of 57,292 tons. The bulk of the coasting trade was done then, as now, by junks, of which there were 17,006, of a total tonnage of 2,854,652. In 1900 the steamers had increased in number to 1,321, of 543,258 gross tons, and the sailing vessels had advanced to 3,850, of 320,572 tons. The junks remained practically stationary at 18,796, of a gross tonnage of 2,785,114. It is rather a curious example in the inherent conservatism of a Far Eastern country that the small junks should remain in such large numbers, and that sailing vessels should increase in greater numbers than steamers. The steamers have, however, advanced with sufficient rapidity to take their place in the principal trade routes of the world. Japanese vessels sail once in two weeks on the European and American services, and once in four weeks on the Bombay and Australian lines.

The accounts of the Nippon Yusen Kwaisha for the half-year to September 30th last show that the company continues to enjoy great prosperity. Eastern freights have been low during the period, but the company gets subsidies in proportion to the distances travelled and to the tonnage used, and is thus on an altogether different footing from the British companies, which have had to complain of depression in the shipping trade. The gross profits of the half-year were 3,542,413 yen, and after providing 660,351 yen for depreciation, 154,933 yen for the insurance fund, 395,165 yen for the ships' structural repair fund, 116,598 yen for reserve, 800,000 yen for extension of services and the improvement of the fleet, and 71,358 yen for directors' and auditors' fees, there was a sufficient balance to pay a dividend at the rate of 12 per cent. per annum, and to carry forward 703,185 yen. The balance brought forward was 679,177 yen. The dividend absorbed 1,320,000 yen, or little more than one-third of the gross profits. The fleet at the end of the half-year numbered seventy vessels, of a total tonnage of 221,871, and six steamers were building, of 19,200 tons, as well as several launches and tugs.

YEN.

Transfers of the stock of the Imperial Japanese Government Five per Cent. Loan, 1902, inscribed in the books of the Bank of England, are exempt from stamp duty, the Board of Inland Revenue having sanctioned an arrangement for composition.

THE MINISTRY VERSUS THE ELECTORS.

Political Tactics in Japan.

By Japonicus.

The dissolution of the Japanese House of Commons, which occurred in December last, marks yet another of the many political stages through which that country must, perhaps of necessity, pass before reaching anything approaching perfection, or before the machinery of government can finally adapt itself to the requirements of the country; for the fact must not be lost sight of that Japan as a constitutional nation is yet in its "teens." It will be remembered that at the time of the last general election it was generally understood that the party supporting the Government possessed an overwhelming majority; yet we learn that for some days prior to the dissolution many private conferences were held between the Ministry and the party leaders, the outcome being the decision of the Government to suspend the sitting. It would seem that the present Government has decided on the very questionable policy of repeated dissolutions of the Lower Chamber until such time as Government bills are blindly supported by a majority. The present Government of Japan is in every sense a military one, and has yet a great deal to learn respecting the management of interior affairs.

To dissolve a House so newly elected—assuming, of course, that there was the overwhelming majority claimed—seems to us an extraordinary course to be pursued by any Ministry; but before attempting to criticise too severely, it must be borne in mind that one has to learn more of the temperament of volatile Japan. No one can possibly foretell what may yet be done by Japan in the matter of her internal affairs; almost every event which has gone before has come as a surprise to the anticipated mind. The *post-bellum* programme in the national finance has nothing to do with the present crisis. The party leaders did not agree to support the Government proposition to continue the increased rate of land tax. To outsiders it would seem as though the Japanese Government had no other course open to them except a continuance of taxation upon real properties. Hence, a deadlock.

The party leaders proposed, in response, that the administrative expenditure could be greatly reduced, and that a general adjustment of the Government undertakings would answer the present need without any additional tax on land. To save one-third of the Japanese Government expenditure—excepting, of course, the requirements of the army and navy—would not be a stupendous task. The issue is not one involving any grave problem which might possibly endanger the credit of the nation or her financial standing at large; it is merely what may be termed a domestic friction.

Before the war of 1894-5, China altogether misconceived the financial condition of Japan, and with disastrous results. But China was by no means alone in this respect; there were, and are at the present time, others who evince great friendship for the Middle Kingdom, who are always keenly on the outlook to discover some flaw or weakness in the financial fabric of Japanese affairs. Fortunately, however, for Japan, her finances are by no means so bad as some would make us believe; and it will be well if her too attentive neighbours remember that, when her national honour is assailed, the nation will be ready to again display that wonderful homogeneousness which has been so notable a feature throughout her history.

Some may naturally feel a certain anxiety respecting the future of the economic question of Japan; but the most resourceful countries are, at various times, subjected to criticisms in respect of their finance. Every thoughtful individual would "look out" for his resource.

The land tax in Japan is extremely trifling—namely, 3 per cent. on the valuation made some twenty-eight years ago, which actual value has in a large measure increased, in the majority of cases as much as tenfold. The practical value through which transactions are made is not the basis on which the present tax is imposed. Under the feudal system, which existed up to 1868, an oppressive measure of land tax was imposed by the provincial lords; but as a result of the Imperial edicts which were issued repeatedly in behalf of the landowners—namely, farmers—who are to-day the electors, some moderation was effected in 1874. The spirit of the restoration of 1868 was to liberate the farmers from the unjust treatment and oppression of the lords, which had existed for upwards of seven hundred years. Land in Japan, neither theoretically nor practically, belongs to the Emperor, but to the actual owners. The assurance of the safety and an absolute ownership of land property is the only thing we have in the face of our present constitution, without any condition or prejudice. To increase the land tax is, therefore, to radically contradict the spirit of the restoration and the subsequent issues of the Imperial edicts. On the other hand, the valuation is much too low in comparison with the present dealings. It may safely be said that the Government has within its administrative authority an opportunity to increase the revenue without an increase of the rate of land tax: *e.g.*, the Government has an authority to decide the assessment according to the actual value, which would yield much more than the present rate. There is no restriction whatever to prevent the Government taking steps to regulate the standard of the valuation. If the issue is simply to obtain an additional revenue, there should be no friction at all. But the truth is, it is not of the amount of the revenue only, it is because of over a certain controversy between the clan Government and the populace.

The restoration of 1868 was accomplished by some pretentious young people of two provinces—Satsuma and Choshu. They held the highest positions in the Government up to this date. It was not a question of talents, but of clan. Viscount Katsura, the present head of the Ministry, is a Choshunite, balanced with Satsuma crafts as his colleagues. In unveiling the secret of the land tax problem, it cannot be contradicted that the valuation of the land property in Satsuma and Choshu is extremely questionable. For instance, a piece of land valued in Choshu or Satsuma at 100 yen would, in any other part of the country, be valued at 300 yen, or, at present marketable price, 3,000 yen. It was all discussed openly in the Lower House some time ago, and no Choshunite was able to refute the charges.

When a military element becomes predominant in the national affairs of a country, discontent and uneasiness are bound to arise. The Japanese, as a race, are not so quiet as, for instance, the Italians; they have a voice, and are not slow to accuse the Government, without any mercy, of what they consider to be a violation of their rights. Those writers who have visited Japan in recent years, and dwelt on the subject of administraition, have invariably complimented the people on the clan government; but the brightness of the surroundings, or possibly the natural beauties of the country, have always claimed too large a share of their attention to permit of their probing below the surface.

Some pretentious politicians in Japan are apt to discuss the national economy, while they know nothing of the market price of rice and beans. Such men have their counterparts in Europe, where one occasionally finds a statesman who does not know the price of a loaf of bread talking learnedly about the corn laws. Some Satsuma men in the Cabinet were unable to draft a private communication, and some Choshu men have had no knowledge of mathematics, yet they were holding many important positions in bureaucracy. In the army the generals are Southerners, but the lower ranks, such as captains and colonels, are filled, in a large majority of cases, by the competent men—men of ability and science—from the North of Japan.

The Government of Japan was forced by the populace to declare a Constitution. When it was declared, it was a disappointment to many; but any suggestion of alteration would not be welcomed by the Satsuma and Choshu clans. The Constitution of Japan was proclaimed on February 11th, 1899, and accompanied by an Imperial edict, which stated that any attempt to alter the Constitution would be taken as a revolt against the Throne and the country. This edict doubtless sprung from the bosom of the famous statesman, Marquis Ito Hirobumi, commonly known as Count Peony, a glorious flower. How can he be infallible when he claims to be the author of the Constitution? The populace of Japan in no wise support the German sense of rulership. The recent political disturbance in Japan is all due to the incompleteness and incapability of the Constitution, which it is freely asserted should have been framed in a different manner.

The land tax question could have been leisurely discussed during the session before the new fiscal year, which begins in March next, and the Cabinet officers should have given to the House a full chance to consider the subject. The Ministry should have appeared before the House and urged the passage of the Bill, instead of resorting to private conferences outside of the House. If the Government did not employ that impressive phrase, "within twenty-four hours," there should have been some remaining opportunities to convert the weak-minded.

Doubtless the Ministry has an authority to ask the Emperor to sign an order for the dissolution of the Lower House, but that weapon should not be exercised until a prolonged and open discussion has been held. No law so far-reaching as the question of taxation can be enacted within twenty-four hours. The sword in the hand of a lunatic is a dangerous thing. General Viscount Katsura and his Ministry were exceedingly abrupt to adopt so radical a step, and thus retard the growth of that charming island empire. In the time of war the Japanese officials were brave and self-sacrificing, but in the art of peace they hesitate to come in close contact with the House to fully discuss any point at issue. They are much too sensitive over a little sarcastic applause. The Japanese Ministry maintain, according to their old-fashioned notion, that they have the confidence of the Emperor; and if the House, therefore, will not entertain a certain Bill at once, it must meet a consequence—namely, dissolution. A Prime Minister who cannot grasp the history and the precedents among the constitutional countries will invariably commit the blunder of using the ultimate measure, thereby causing a deadlock of the national prosperity. The dissolution on the present occasion is the most serious mistake the Government of Japan ever made since 1868. No sane Government would dream of placing a purely military man at the head of the Ministry. In the United States, the head of the Cabinet, the Secretary of State, is a civilian, and it is highly improbable that Great Britain would choose a military man to guide her ship of State. In order to secure a majority supporting the Government in the Japanese House of Commons, not only did the Ministers invoke official aid, but many other questionable devices were resorted to. When the newly-elected members assembled in the House, the House was promptly dissolved, much to the surprise of the people. Alas! were they really the supporters of the Government? The Cabinet came to a conclusion that a censure should be given to the prodigal children because they were too stubborn. In fact, the dissolved House was composed of the most talented young element of the whole country. It was the best House ever organised since Japan got such a legislative form as the Imperial Diet. It would be well to bear in mind that if the Bill to continue the increased land tax is eventually passed in the Lower House, it will not meet with success in the Upper House, which has a majority composed of the landowners. If it was simply to increase the national revenue, there are many things yet to be done.

According to the Japanese Constitution, the new fiscal year may start at any time following after the Budget of the previous year, or in a case where the Diet did not pass a Bill in time, or the House were dissolved. But there were several important Bills to be passed during the session of the coming year. However, the Government may, in the absence of the House, temporarily enact or issue some regulations which will be equal to the laws which shall be subsequently submitted to the Diet for sanction, the latter having an authority to cancel its enforcement.

Another new general election will cost the Government some 2,000,000 yen, and the candidates will have to spend an additional 3,000,000 yen, a non-productive outlay of 5,000,000 yen. The landowning electors will, it goes without saying, re-elect their present representatives, who opposed the Government. As a rule, the Japanese electors are faithful to their representatives. Remember, first of all, in this instance the dissolution took place when the party leaders pleaded and insisted upon it in behalf of their electors. The question is: Will the Government venture to dissolve the House over and over? That is the disposition of the present Ministry;

but after the next general election, in March, in opposition to the Government, as it should be, there will appear another *rôle* from that which has been long in existence and in experience. The subject of the drama may be changed, and the company reorganised, but the actors from the same source, with still a limited ability. It would be another Choshu Cabinet to succeed the Choshu Cabinet. Japan must remember that no Government is safe that is not strong in the goodwill of its people.

The experimental stage of Japan in transition would thus effect nothing to her foreign policy, nevertheless. A little disturbance in Ireland last autumn made no change in the British policy at large. As a nation, Japan will, and is ready to, keep her good faith through and through. The occurrence affects merely her internal digestion. She will have to make many rehearsals before some real art is to be witnessed by the beholders. Whether comedy or tragedy will be witnessed when the curtain is lifted, it cannot be prophesied at this moment, because the Japanese people do things quite unexpectedly. But it is prudent to say that some changes in the Japanese Constitution are inevitable, the present one being drawn by a few individuals, not by the nation. As a nation, the Japanese people are as loyal to the Throne as the subjects of her only Ally; but, like them, they are fond of self-government, and are imbued with the same democratic spirit.

Mr. Diosy, who is a *raconteur par excellence*, in the course of some remarks on the occasion of the recent meeting of the Japan Society, furnished an interesting narrative anent the progenitors of the highly-valued breed of dog popularly known as the "King Charles." Dr. Oscar Nachod—who is at present engaged in compiling what will undoubtedly be a most valuable addition to the many works on Japan—had very kindly favoured him with a photograph of a picture of an envoy sent from Japan to Pope Gregory XIII. at Rome. By the envoy's side is shown a dog which, according to Dr. Nachod's researches, was intended to illustrate a "King Charles." It appeared that the Embassy took some of this breed of dog to Rome, and one was given to the Pope, who very much disliked dogs. However, Pope Gregory passed the dog off as a present to an English Catholic nobleman, who brought it to England.

THE PIRATES OF THE PACIFIC.*

"The only enduring result of the Crimean War, unperceived at the time, was the opening of the Pacific to Russia." Such is the frank assertion made by a Russian writer in a work entitled "Russia on the Pacific," and it appears tolerably certain that it was a perusal of this work that tempted Mr. Blakeney to place on record his own recollections and experiences—"On the Coasts of Cathay and Cipango Forty Years Ago"—gained during the years 1856-9, while engaged on survey service for the British Admiralty. Nothing, I am confident, which has been issued in the way of naval reminiscences during recent years can be compared with this work of Mr. Blakeney's. It not only possesses high merit in the readable sense, but it is a work of considerable historical value; in fact, one is prompted to think that, had the author not elected to follow the sea, he would unquestionably have gained considerable repute in the realms of literature. In addition to some ninety illustrations—many of which are from sketches made by Mr. F. Le Breton Bedwell, R.N., artist accompanying the expedition—the volume contains a great number of maps and plans. While Mr. Blakeney, to some extent, "spins his yarn" in true sailor fashion, he has a style which is at once clear and concise, and in relating his adventures in these far-off lands, he does so in a manner which certainly cannot fail to produce on the minds of his readers the most vivid pictures of Japan and China as it *was* forty years ago.

In the limited space at my disposal, it would be impossible to attempt to do anything like adequate justice to the mass of varied and instructive information contained in this volume.

The author loses little time in warming to his attack on Russia's true policy in the Pacific, for at the very commencement of his narrative he opines the deplorable delay and negligence of the Admiralty in getting the "Actæon" ready for sea, and he claims that, had anything like reasonable dispatch been observed, there would have been ample time for the surveying party to have reached the coast of Tartary in time for England to have had a voice in deciding the conditions of the Treaty of Aigun (1858), "by which," he asserts, "Russia

* On the Coast of Cathay and Cipango Forty Years Ago. By William Blakeney, R. N. With Maps and Illustrations. Elliot Stock. 12s. net.

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fooled China out of the whole seaboard of Manchuria, as well as its 'hinterland' to the Usuri River, a region —so ran the Treaty—declared to be *common to Russia and China until the frontier should be permanently fixed*," and now, after a lapse of forty-four years, we still hear of the "Evacuation" of Manchuria. Many other instances are given of Russia's perfidies in and around Korea; but England was as ready to believe then, as now, any asseveration of Muscovite officials, and any attempt to rouse the inmates of "Sleepy Hollow" (Downing Street) by reporting such flagitious violations would invariably call forth a severe reprimand; in fact, such was the reward meted out to the author, who was politely asked what business he had to entertain any opinion "apart from his duties as an

FEUDAL JAPAN IN KOREA—THE LAST STRONGHOLD.

officer attached to a surveying party." The *grave* offence referred to is related in the following passage from the author's diary: "During our absence (from St. Vladimir)"—which is, by some strange coincidence, the *nom de plume* adopted by the author of "Russia on the Pacific"—"a Russian captain of engineers and six men had arrived from Urkutsk to survey their newly-acquired territory. . . . He (the captain) tells us Russian villages have been placed every twenty miles along the Amur, and Cossack posts every twenty-five miles on the Usuri, and telegraph communication established with St. Petersburg. . . . We supplied his party with some comforts. Russian territory, he informs us, now includes all the coast and harbours as far south as Victoria Bay, and that they intend to stretch it still further over the Korean border to Broughton Bay, and to ultimately absorb the whole Korean Peninsula." This was written in 1859. In 1902 the following paragraph appeared in a London paper: "It is not without interest to note, in connection with the new Anglo-Japanese Treaty, that, according to reliable information obtained from an official source, that a Russian expedition, consisting of two military and three engineer officers, are about to leave St. Petersburg for the purposes of exploring various parts of Korea." This should prove interesting reading to our friends in Japan. Of more moment, however, is the dramatic account given by Mr. Blakeney of the subtle attempt made by Russia to capture what he considers to be not only one of the finest harbours in the world, but one of the most important strategical positions—the port of Tsu Sima, situate on the island of the same name. This is what the author says concerning the episode: "During the winter of 1860-1 there arrived in the Wusung River a Russian ship, from whither, or whence bound, no one knew. When stores had been replenished, the Muscovite put out to sea. It was this craft which was now (1861) at Tsu Sima, in her 'Pirates' Cove,' and it was the unexpected arrival of the 'Actæon' that unmasked her. Little wonder that the attitude of the Prince of Tsu Sima had changed towards us, supposing we had been the means of enticing the Russians into his waters by our survey. . . . Under pretence of growing vegetables, the Russians had cleared a plot of ground; then they professed to have discovered a leak in their

ship—the Japanese were invited off to see the water coming in (which it did, through a valve surreptitiously opened for the purpose). This necessitated some building ashore in which to house their stores. The building, of course, must have a Russian flag flying over it; also, of course, Russian sentries must guard it, etc., etc.; till, by slow degrees, there was in this out-of-the-way spot a Russian settlement established, later on to be developed into an arsenal for fleets coming from the Black Sea to deposit their freights." Honour "*à la Russe*" with a vengeance! Fortunately, Russia's intentions were frustrated, and she need have no occasion to anticipate that Japan will ever give her consent to the occupation of this island—the Gibraltar of the East—which has been suggested on more than one occasion in the Russian Press. Tsu Sima, occupying the position it does, midway between Japan and Korea, goes far to neutralise the "leased" stronghold of Russia at Port Arthur—the first survey of which was made by Mr. Blakeney—and Wei-hai-Wei; for Tsu Sima is of far greater value to Japan than Port Arthur ever could or will be to her crafty neighbour. Apparently the insatiable appetite of the wily Russ for expansion has a far wider scope than even Mr. Blakeney would give him credit for, if the following remarks by a Russian writer are any guide to her "honourable intentions": "The Empire of the Mikado, separated by the sea from its congeners, will be incapable of subjugation and absorption at the hands of Russia, for whom it will be an imperative necessity to enter into possession of the islands controlling her Pacific seaboard," and so on and so forth. Quite a nice little scheme; but has our friend lost sight of the Anglo-Japanese Alliance? It would certainly appear so.

Before closing this exceedingly interesting and absorbing volume, I fear I cannot do better than quote from the author's warning to Japan, given in a postscript: "Keep watch and ward, Japan, over your incomparable strategical port, Tsu Sima Sound. Remember how it was nearly filched from you forty years ago. Fusan is potentially yours, and has been so for over three hundred years. Retain your grip over it at all hazards. Shimonoseki Strait is within gunshot of Tsu Sima, as the latter also is of Fusan." Japan may learn much from England, but she would be ill-advised to follow our past methods of dealing with the crafty Muscovite. Possibly, however, the recent events in the Near East may teach us a lesson. Who can tell? In conclusion, I would counsel Japan to remember Mr. Diósy's words, subsequently used by the Colonial Secretary to give point to a speech delivered at Birmingham during the Boer War: "They who would sup with the Bear must indeed use a long spoon."

L. E.

PORT OF SHIMONOSEKI AND INLAND SEA, 1859.

NOTICE.

THE ANGLO-JAPANESE GAZETTE *will be published on or about the 15th of each month. The Annual Subscription is 7s. (3½ yen), payable in advance, post free at home and abroad. Cheques, P.O.O., &c., should be made payable to "The Manager," and crossed "The Hong-Kong and Shanghai Banking Corporation."*

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GENERAL NOTES.

THE wily movements of Russia in the Near East are being watched with much suspicion and considerable anxiety by diplomatists throughout the world. Attention is drawn, and not unnaturally, to the Anglo-Japanese Alliance and its possible results as far as affairs in China are concerned, and the feeling is generally expressed that the probable results do not appear so striking as was expected at the time the agreement was concluded. The idea which was then entertained was that Russia would be compelled, by virtue of the existence of the agreement, to greatly modify her forward policy in the Far East; whereas, after merely making concessions sufficient to enable Great Britain to save her face, she is—as it now seems—pursuing her course as steadfastly as ever, the goal being, of course, ultimate mastery, not only in Manchuria, but certainly throughout the Middle Kingdom.

OF course, were it not for the alliance between Great Britain and Japan, Russia would probably pay less heed to the outward decencies of international relations, and would operate even more openly and rapidly; and it will be generally conceded that thus far the alliance has certainly, to at least some extent, been a check upon Russia, but as yet it has done nothing to alter her firm resolve. And therein is the danger.

DID Great Britain and Japan possess the overwhelming naval preponderance in the Far East that they should have, giving them a manifest superiority over the squadrons of Russia, France, and Germany in Asiatic waters, then—but not until then—Russia would be compelled to modify her conduct, and to show that respect for the interests of others which she has always refused to those whose armaments appeared to be chiefly paper treaties.

A GENERAL meeting of the Yokohama Silk Goods Dealers' Association is to be held shortly, with the object of discussing questions relating to the general improvement of silk textiles, especially habutaye. It has been decided to send expert students abroad, and to establish offices in the principal centres where Japanese silk is in demand.

THE population of "Greater" Yokohama, which includes Kanagowa and thirteen other towns, is shown in the latest yearly return as 299,202, and the number of houses as 54,674. The figures in a previous report, taken before the incorporation, were 205,007 and 34,733 respectively. In 1891 the population was 139,058, and the number of houses 29,072.

THE question of a Japanese Exhibition to be held at Earl's Court is again looming on the horizon—this time in the columns of a Japanese contemporary. That such an Exhibition would be entirely welcome, and would be the means of enlightening the people of this country as to the manners, modes, and industries of our Ally, there can be no doubt; but we fear that the date mentioned (1904) is somewhat premature. The matter is receiving the earnest attention of those who have the object in view, but 1905 strikes us as the more probable date.

APROPOS of the dissolution of the Japanese Parliament and the next elections, which are to take place on March 1st, a gentleman who is in a position to speak from knowledge gained at first hand, said to a representative of "The Anglo-Japanese Gazette":

"I think that the Japanese people are favourable to the Government scheme for naval expansion, but the difficulty of both the Government and Parliament, it seems to me, will be how to meet the great expense such expansion would involve. As we know, the land tax has been levied during the last few years to meet the expense of a growing navy, and the Government proposes to continue the increased tax for the present for the further expansion of this branch of the service, although it had been proposed to withdraw the impost.

"The parliamentarians held a different view, and desired the non-continuance of the tax. At the same time, they were anxious for an increased navy, yet they did not suggest to the Government any effective remedy for the land tax, or propose any substitute for raising money necessary for naval expansion. They did propose that the expenditure of administrative offices should be

reduced; but such a measure, stretched to its limit, would be totally inadequate to the requirements of such naval expansion as the Government is desirous of bringing about. Then, seeing that the Government did not intend to abandon their position on the land tax question, Parliament dissolved."

ACCORDING to official accounts, the following is a detailed summary of the Japanese Budget for 1903-4. Out of 253,400,000 yen revenue, over 232,400,000 belong to the ordinary revenue, showing an increase of 6,300,000 yen when compared with 1902-3. Over 181,100,000, yen, out of the entire expenditure of over 251,400,000 yen, is assigned for ordinary items, thus showing an increase by about 3,500,000 yen compared with that of the current financial year. By the recent revision of the *ad valorem* tariffs, the Japanese Government benefits to the extent of some 500,000 yen, which forms a part of the economy of 9,920,000 yen to be achieved by the Treasury in consequence of the administrative reform. The assignment for the purpose of the Kobe Customs extension is over 300,000 yen, the work to be completed in seven years at a total outlay of 3,450,000 yen. Other new measures to be undertaken include the establishment of consulates, 73,000 yen; South China steamship service subsidy, 25,000 yen; and telephonic extension, 5,475,000 yen. The Government proposes to expend the sum of 3,500,000 yen for the expansion of Japanese trade in China and Korea during the coming year. Out of this sum, 3,000,000 yen will be the Government's first instalment for the establishment of a Japan-China Bank. Pension matters hitherto carried on by the Cabinet and the Education Ministry are to be incorporated, and a new bureau for this purpose will be established in the Finance Ministry, to which Banking and Customs bureaus will be added. The Formosan Section in the Home Office will be transferred to the Cabinet.

FROM the tables giving a summary of Japan's trade for November, which will be found on another page, it will be seen that a decline of £99,400 in exports is shown for the month, but for the eleven months there was an increase of £154,975. Imports show a very substantial increase—£699,500, or £596,400 for the period covered.

THE following particulars are just to hand relating to the sixth annual meeting of the Society of Naval Architects (Japan), held at Tokyo in November last, in the hall of the Kogio Club, Professor Miyoshi occupying the chair. Five papers in all were read, and included—"A Proposed Experimental Tank for Japan," by Professor F. E. Purvis, a pupil of Dr. Froude; "Strength of Shallow-Draught Steamers," by Mr. J. Imaoka, of the Japanese Marine Department; "A Comparison of the Regulations of the Various Registration Societies of the Construction of Marine Boilers," by Professor C. Shiba; "The Rising of the s.s. 'Kyuyo Maru,'" by Mr. T. Shirato; and "Briquette Coal," by Mr. H. Takeda, Fleet Engineer, I.J. Navy. These papers—covering, as they do, an interesting variety of subjects—all go to show the trend of engineering thought, and the steady progress it is making in Japan.

THE export coal trade of Japan has developed considerably during the last few years, especially to Chinese ports; in fact, almost the entire import trade of coal along the Liaotung Peninsula is in the hands of Japanese firms. Between 230,000 and 250,000 tons of Japanese coal finds its way to Port Arthur and Dalny each year, representing 90 per cent. of the coal trade, and it is anticipated this will be considerably increased when better arrangements for landing and storing are provided.

WE are informed that the Hakodate Dockyard Company are at present constructing another dockyard capable of receiving ships of 10,000 tons. In connection with this, it is pleasing to note the prosperous condition of this company's affairs. At the general meeting of shareholders held recently, a plan to increase the capital, which now stands at 1,200,000 yen, by 600,000 yen, owing to the great increase of business, was passed unanimously. This sum will be borrowed on a mortgage of all the properties at the interest of 10 per cent. per annum.

THE new cruiser "Niitaka," built for the Japanese Government at the Yokosuka Dockyards, was launched on the 16th of last month. This vessel has a displacement of 3,400 tons, and is fitted with boilers capable of developing 9,400 h.p. Her speed is twenty-four knots.

ADDITIONAL interest was lent to the very excellent and instructive paper read by Mr. Wilson Crewdson before the members of the Japan Society on the occasion of their recent meeting—full details of which appear elsewhere in this issue—by the use of a new German apparatus, which has met with considerable success in America, known as an "epidioscope." It is possible with this invention to use ordinary prints or photographs much in the same way as the old-fashioned lantern slides, with, if anything, better results.

THE chairman (Mr. Diósy), in the course of a few remarks at the conclusion of the reading, characterised Mr. Crewdson's paper as one of the most interesting he had ever listened to, and, in his own inimitable way, expressed his additional pleasure because he saw in the subject treated twenty other papers, and he could wish for nothing better than to hear Mr. Crewdson read them. Mr. Goji Ukita, Hon. Secretary of the Society, and Chancellor to the I.J. Legation, congratulated the lecturer on the general accuracy of his paper. He had, he said, fol-

lowed the paper most carefully, comparing the various statements with those given in an ancient Japanese work, long out of print, generally acknowledged to be the most reliable account of Japan's foreign relations, but he found Mr. Crewdson's facts quite correct even to the smallest details.

In response to Mr. Diósy's invitation, His Excellency Viscount Hayashi (President of the Society) said: "I beg to propose a vote of thanks to Mr. Crewdson for the interesting paper he has given us to-night. I think it is of great importance to us at this time, as I think many people of this country draw their ideas from books which did not properly represent the people of Japan." He went on to say that he thought the paper read would result in opening up a greater desire for information than was now generally being felt." His Excellency was warmly applauded at the conclusion of his remarks.

Mr. Harding Smith, member of Council, in seconding the vote of thanks, said that the East and West should learn from each other. We ourselves could learn a good lesson from the Japanese in the matter of gentleness and politeness. The vote was carried by acclamation, and the proceedings terminated.

Brief reference is made by Mr. Blakeney, in his book, "Cathay and Cipango Forty Years Ago," to a presentation made by the officers of the "Actæon," during their stay in Japanese waters, of a large ship's pinnace to the Shogun, as some acknowledgment of many kindnesses. It will doubtless be of interest to many of our readers to learn that one of the midshipmen detailed by the Shogun to take charge of the craft was Viscount Hayashi (then Mr.), the present Japanese Minister to London.

A curious instance of the very early representation of the sixteen-lobed chrysanthemum is to be found at the Exhibition of Table Plate which is now being held in the rooms of the Fine Art Society, New Bond Street. It is to be found in the shape of a libation cup, or philate, parcel gilt, of Greek workmanship, and said to have been executed in the fourth century B.C. The bowl, which should prove of exceptional interest to lovers of the antique in art, is lent by Mr. Cecil Smith, of the British Museum.

The following have recently been elected members of the Japan Society (London):—Messrs. Arthur C. Blomfield, M.A., George Braggiotti, Herbert Brookman, Samuel Hamilton Cartwright, F.K.G., Frederic Coleman, Vaughan Cornish, D.Sc., F.R.G.S., F.C.S., Percy Archibald Hillhouse, B.Sc., Koyata Iwasaki, Frederick James Matheson, John Fletcher Moulton, K.C., M.P., M.A., F.R.S., Joseph Oppenheimer, Alfred Robert Pattison, R.N., Michael Joseph Quirke, Robert Roxburgh, M.B., F.R.C.S.E., John William Ross, Pascoe Spencer Thornton, Captain Walter, Sidney Livesey, and Mrs. J. E. Livesey. Miss Gertrude Dunston, of Boston, Mass., U.S.A., Madame C. Mourier, of Paris, France, and Mr. Randolph E. Schirmer, M.A., LL.B., of New York City, U.S.A., were also elected as corresponding members.

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WESTERN INFLUENCE IN JAPAN.

FROM MARCO POLO'S VISIT (1295) TO GREAT BRITAIN'S TREATY OF 1858.

THE large hall at Hanover Square, W., was filled to its utmost on Wednesday night, the 14th inst., when Mr. Arthur Diósy, F.R.G.S., Chairman of Council, Japan Society, took the chair, the occasion being the fourth meeting of the twelfth session of the Society. The attraction that caused so many members and their friends to brave the fierce wintry weather was Mr. Wilson Crewdson, M.A., M.J.S., etc., who read what proved to be an absorbingly interesting paper on the dawn of Western influence in Japan.

His Excellency the Viscount Tadasu Hayashi, LL.D., D.C.L., Envoy Extraordinary and Minister Plenipotentiary of H.I.M. the Emperor of Japan, President of the Society, and Major Sir William Thomas Duprée, M.J.S., the Mayor of Portsmouth, were among the notables present.

Mr. Diósy having introduced the speaker in few but graceful terms, that gentleman plunged at once into his subject without preamble:

When Marco Polo (he said) returned to Venice at the end of the thirteenth century he reported the existence of a very large island called Zepangu situated, so he said, 1,500 miles from the coast of China, "where there was a law against the export of gold, which was nevertheless so very abundant that the riches of the King were incalculable—even the roof of his palace was covered with gold, as Italian churches were with lead and slates"; whilst the inhabitants, although living quite separate from other nations, were fair, handsome, and of agreeable manners.

This account of Japan, though at the time little credited, undoubtedly stimulated afresh the Portuguese and Spanish desire for direct trade with the East.

According to Purchas, it was 1542 that Europeans first entered Japan, when three Portuguese, named Antonio de Mota, Francis Zenmore, and Anthonie Pexoto, were driven by stress of weather on to the shores of that island. . . . The Japanese records, however, state that it was in the year 1541 that their country was first visited by Europeans.

These Portuguese adventurers agreed in the glowing account they gave of the inhabitants and wealth of Japan, and of the opportunity offered to Portuguese trade. A difficulty, however, existed in the edict of the dread Kublai Khan, the Asiatic Napoleon of the thirteenth century, which prohibited the admission of strangers, and which edict was still in force. Fortunately, an opportunity arose two years later for giving practical effect to the recommendations of these adventurers, when a Japanese nobleman called Anjiro, or Anger (according to the Jesuit accounts), was advised to go to Malacca to consult St. Francis Xavier on a matter which troubled his conscience.

St. Francis Xavier received the Japanese nobleman kindly, and at Goa, on the 20th March, 1548, baptised him by the new name of Paul de Saint Foy, and in the summer of 1549 St. Francis Xavier, with his convert, set sail for Japan, landing at Bungo (Kiu-siu).

Trade seems to have prospered, and the Jesuit missionaries, in spite of the difficulty in making themselves understood, delighted their Japanese audiences by appealing to the argumentative and speculative side of their character by open debates on religious matters with the Bonzes. The description of the Japanese people as they then were, given by Father Crasset, is highly interesting at the present day:

The prominent passion of the Japanese (he wrote) is honour, which spurs them on and keeps them to their duty. Their swords are of so fine a temper that they can cut in two those of European manufacture, and, as for their ecclesiastical government, he was much struck by its resemblance to that of the Church of Rome.

The Christian religion spread rapidly, and when the Bonzes appealed to the Emperor for protection, he merely remarked that, as they already had thirty-five religions in Japan, there could be objection to a thirty-sixth. But there were breakers ahead:

In 1580, there were, according to Jesuit records, about 200,000 Christians in Japan. In 1583, an embassy was sent by the feudatory Kings of Bungo, Armia, and Omura to Rome. . . . In the year 1588, Taiko Sama died. He had not intended to isolate Japan from the commercial brotherhood of nations; what he most feared was political interference of Japan as a State, and consequently it was necessary to stop fiery enthusiasts, some of whom probably hoped to emulate the followers of Cortes in Mexico and Pizarro in Peru.

Ten years before this edict of banishment, Drake had returned from his voyage round the world, inspired with an utter contempt of both Portuguese and Spaniards, a report which was strengthened by the stories of Cavendish in 1586:

The East India Company, which was incorporated in 1600, promptly sent George Weymouth on a voyage by way of the north-west passage to China and Japan, but William Adams, *un homme de mérite*, according to the Jesuit historian Charlevoix, was the first Englishman, so far as is known, to arrive in Japan, as pilot to the ship "Liefde," one of a squadron of five Dutch ships under Jacques Mahu.

Adams rapidly rose in favour with Iyeyasu. In 1613 Captain Saris arrived in command of the East India Company's ship "Clove," and presented to the Shogun a petition, which was favourably received.

In 1673 England made another attempt to renew relations with Japan. The ship sent was "The Return," but the attempt was frustrated by the Dutch. This was followed, in 1676, by another and last attempt to reach Japan by way of the North-East passage, to the expenses of which Mr. Samuel Pepys subscribed. Henceforth till the close of the eighteenth century we have to rely on the accounts of the Dutch. Referring to one named Thunberg, Mr. Crewdson said:

He arrived in 1775 from Sweden, where feudal institutions were still in force, and was consequently particularly well fitted to enter into the spirit of the Japanese Government. He came to the conclusion that the Japanese well deserved to be compared with Europeans. He admired the steadfastness which commands the national character, the immutability of their laws, and their unwearied assiduity to do and promote what is useful. No foreign war had been waged for centuries past, whilst a great variety of religious sects lived in peace and harmony together. He noticed that discipline and good order were scrupulously observed.

It was during the wars of Napoleon that Americans first went to Japan, the first vessel being the "Eliza," commanded by Captain Stuart. On his second visit, in 1797, his ship was sunk in Nagasaki Bay, and was ultimately refloated by the clever device of a poor Japanese fisherman named Kujemon, who, according to

the accounts given, seems to have invented and anticipated our modern salvage methods.

This display of ingenuity on the part of a poor Japanese fisherman goes a long way to disprove the fact that the Japanese are simply imitators, and possess no inventive genius.

In 1808 Sir Edward Pellew entered the harbour of Nagasaki in H.M.S. "Phaeton." The vessel was quickly surrounded by Japanese fire-ships, and had to put to sea at once to avoid disaster. The only result of this expedition was to lower British prestige, and to cause the Governor of Nagasaki and thirteen officials to commit haru-kari. About the same time, the expedition of the Russian Count Resanoff did not meet with the reception that was anticipated, owing to the high-handed conduct of the Russian Ambassador himself. In revenge, the Russians plundered the Kurile Islands:

Many attempts (continued Mr. Crewdson) were then made by the British and other nations to open up Japan to European trade, but without success, and meantime a curious change was going on in Japan itself—a change of which the first recorded instance that I am aware of was the reward given to the fishermen, Kujemon, who succeeded in raising Captain Stuart's ship.

The above instance was followed by still closer imitations of European ways. Herr Blomhoff, in 1817, succeeded Herr Doeff as Governor of Desmia. Several distinguished Japanese about this time took European names. The son of the prince of Satsuma became Frederik Hendrik, and his secretary, Pieter van der Stalp. "But," said the lecturer:

It is to the doctors more than to anyone else that Japan is indebted for her modern renaissance. In fact, the Japanese renaissance may be said to rest on medical science.

It was not, however, from the West that the attempts to open Japan to European trade were to be successful, but from the East, where the movement formed part of the irresistible western migration of the Anglo-Saxon race. In 1843—

A powerful American fleet, under Commodore Biddle, was sent to the Gulf of Yedo. The energy of the American commander was not equal to the genius of the President. The ships were immediately surrounded by over 400 guard boats to hinder the movement of the ships, and, if necessary, to unship their rudders, as the British man-of-war, commanded by Captain Gordon, had been treated in 1819. Commodore Biddle was therefore obliged to return without having obtained any result.

In 1852 the Japanese question was urged on the U.S. Government by Commodore Perry. The time was particularly favourable, England and France being occupied with the Chinese War, and Russia having taken the opportunity to annex the Japanese territory contiguous to the River Amuor:

As soon as the proposed expedition of the United States became known the Dutch offered their services, and at the same time privately warned Japan, whilst Russia offered to co-operate, a suggestion which Commodore Perry—bearing in mind that Russia's offer of her friendly services to China at the beginning of the Franco-Chinese war had only resulted in her annexing a large part of Manchuria—respectfully declined.

Commodore Perry sailed from Norfolk, Va., U.S.A., in November, 1852, and on July 8th, 1853, entered Yedo Bay, anchoring off Uraga, near the present site of the Yokosuka Dockyards.

It is impossible, within the scope of the space at my command, to do anything like justice to Mr. Crewdson's paper, and, as I find I have already exhausted what was allotted, I must, most unwillingly, miss many good points, and close with one or two more extracts from this fascinating paper.

The Vice-Governor of Yedo, Nagazima Saboroske, with his interpreter, was received by Lieutenant Contee. The guard-boats swarmed round the ships, and Lieutenant Contee requested the Vice-Governor that these boats should disperse. Then followed one of those incidents which—though seemingly fortuitous and trivial in themselves—have played such an important part in the relations of the Empire of Japan with foreign nations:

The Vice-Governor Saboroske suddenly left his seat, went to the gangway, and by a wave, presumably of his fan, ordered the guard boats to withdraw to a distance. By this act he drew back the curtain which had so long excluded his country from intercourse with other nations, and Japan, with an Oriental feudal system of the fifteenth century, was suddenly confronted by methods and armaments which were some 300 years in advance of her own, directed by occidentals, which Mr. Lefcadio Hearn says "were then recognised by the Japanese as intelligent and formidable creatures, but were not generally regarded as quite human."

Commodore Perry's mission, however, was not successful. But on the death of the Shogun, and in consequence of the attempts of the Russians to forestall the Americans, Commodore Perry again arrived at Uraga in February, 1854, the result being the Treaty of 1854.

Mr. Townsend Harris was the first American Consul at Simoda. He it was who lent the services of his interpreter to Lord Elgin when he arrived at Simoda in August, 1858, and obtained for Great Britain a commercial treaty with Japan.

In concluding, Mr. Crewdson said:

Thus did Japan, after her long isolation, take her place in the brotherhood of nations. Her wise councillors reversed the policy of centuries before navies and means of transport had attained their present gigantic facilities, and when there was yet time for the Japanese Government by unparalelled activity, coupled with extraordinary discrimination, to place Japan on an equality with those nations who were formerly in some ways in advance, and to become in comparatively a few years that great power that we are now proud to call our ally.

J. St. Leonard.

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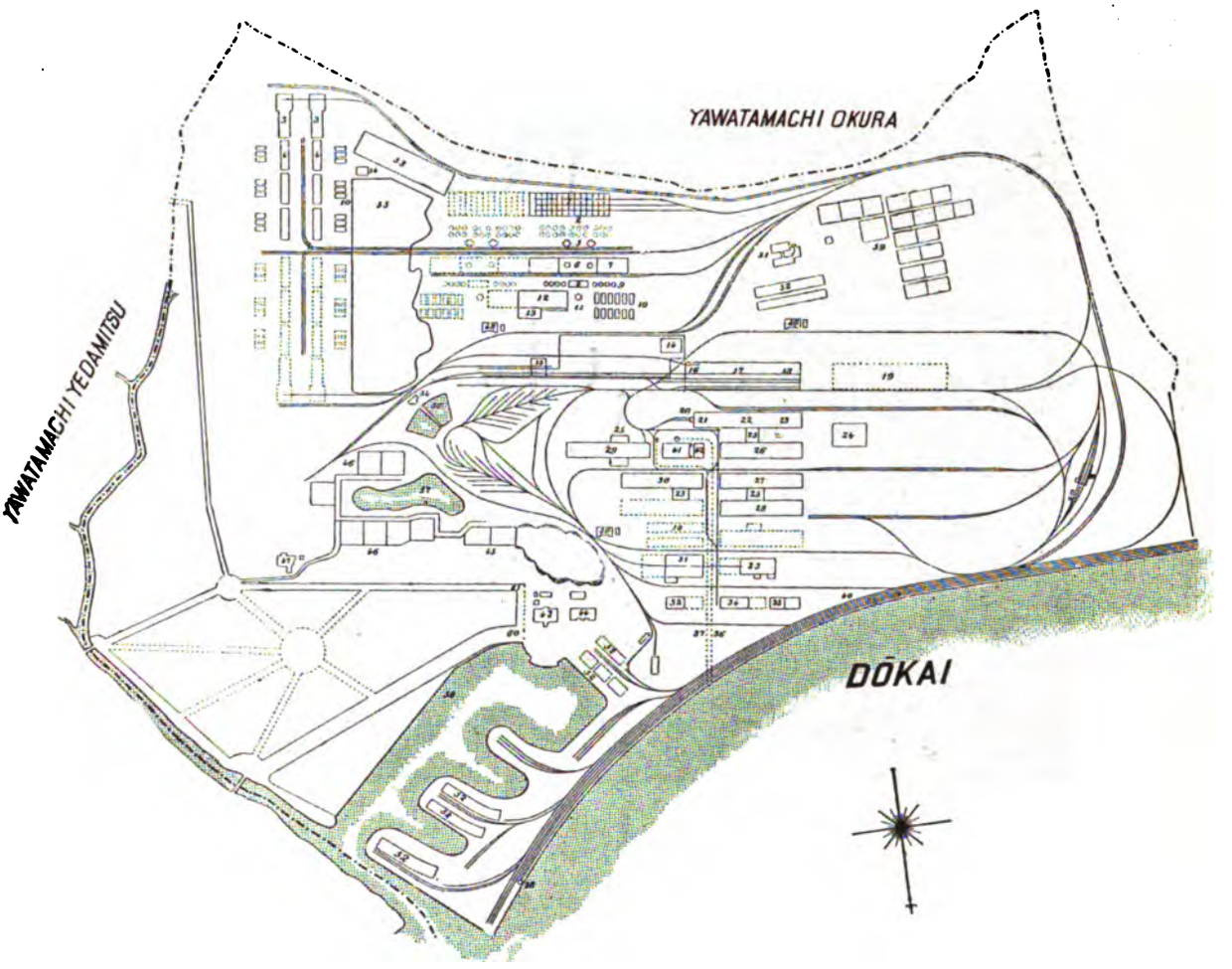
JAPANESE INDUSTRIES.—II.

The Imperial Japanese Government Steel Works.

The steel works belonging to the Japanese Government —some reference to which has already appeared in these columns—are located at Yawatamachi, Ongagori, Chikuzen, near Wakamatsu, in the Prefecture of Fukuoka, and cover an area of upwards of 200 acres. A general plan of the works is given below, together with some illustrations showing the very up-to-date plant which has been installed. Others will appear from time to time, as space permits.

So many adverse statements have appeared lately that it may be well to give some short *resumé* of the reasons which prompted the Japanese Government to establish these works.

It will be remembered that the first attempt made by the Japanese Government in the way of establishing a model iron and steel works was at Kamaisha, in 1876. This, however, proved a failure. The next move embodied a plan whereby it was decided to approach some private concern with the inducement of a Government subsidy; but this scheme was foredoomed to failure, and the project was allowed to remain in abeyance until 1890, when the authorities determined



1. Ore and Flux Bins.
2. Roasting Furnaces.
3. Coal Washing Plant.
4. Coke Ovens.
5. Hoists.
6. Blast Furnaces.
7. Casting-Shed.
8. Gas-Purifier.
9. Cowper Stoves.
10. Boiler Plant.
11. Chimneys.
12. Blowing Engine and Electric Current House.
13. Condenser and Feed-Pipe Room.
14. Cooling Tower for Sea-Water.
15. Mixer Plant.
16. Bessemer Furnace Plant
17. Open Hearth Furnace Plant.
18. Temporary Steel Foundry
19. Steel Foundry.
20. Stripper House.
21. Reheating Furnace Room.
22. Blooming Mill Plant.
23. Rail Mill Plant
24. Rail and Girder Finishing Room.
25. Engine Room.
26. Large Bar Mill Plant.
27. Middle Bar Mill Plant.
28. Small Bar Mill Plant.
29. Large Plate Mill Plant
30. Middle and Sheet Mill Plant.
31. Repair Shop.
32. Smithy.
33. Iron Foundry.
34. Boiler Shop
35. Pattern Shop and Foundry Sand Storage.
36. Channel or Sea-Water Supply.
37. Drainage Canal.
38. 25-ton Quay Crane.
39. Locomotive Shed.
40. Quay Crane.
41. Central Pumping Station.
42. Condenser.
43. Main Office
44. Chemical and Mechanical Laboratory.
45. Dwellings of the Director-General and the Technical Director.
46. Dwellings of Higher Administrative Officers and Engineers.
47. Dwellings of Foreign Engineers.
48. Pig Iron Office.
49. Steel Office.
50. Rolling Mill Office.
51. Hospital.
52. Store House.
53. Coal-Shed.
54. Pump House.
55. Fukadani Upper Reservoir.
56. Fukadani Lower Reservoir.
57. Takami Reservoir.
58. Ship's Basin.
59. Inamitsu Official Residences.
60. Front Gate of Main Office.
61. Back Gate of Main Office.

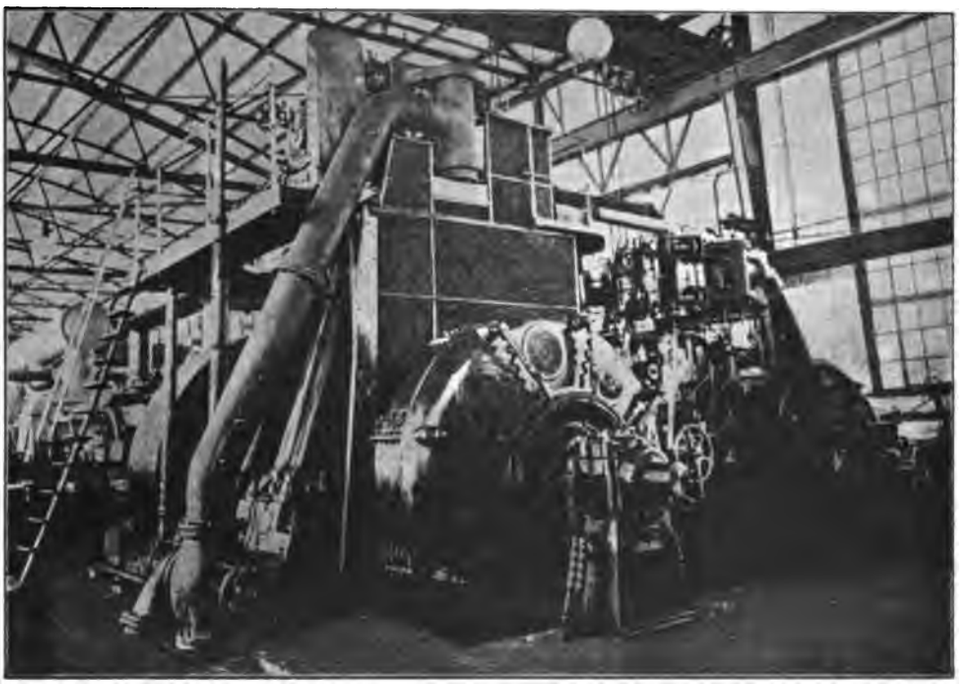
PLAN OF THE IMPERIAL GOVERNMENT STEEL WORKS.

to make one more attempt to establish the necessary works themselves. Estimates setting forth the amount which would be required were drawn up by the Government and submitted to the Diet in the years 1890 and 1891, but on both occasions the proposal was rejected on the grounds that the information furnished with regard to the works, and the amount of raw material available in the country, was not sufficiently explicit.

The Upper House insisted, however, on the necessity of furthering the investigation, and a committee—consisting of Major-General Makino, of the War Department; Mr. Takeshi Arishima, Director of the National Debts Bureau of the Financial Department; Mr. Tsunashiro Wada, Director of the Mining Bureau of the Department of Agriculture and Commerce; Mr. Sosuke Harada, Inspector of Naval Ordnance; Professor Noro, of the Tokyo University; Viscount Masamoto Naito, Naval Constructor; and Mr. Yoshinosuke Hasegawa—was therefore nominated by the Government to report on—(1) The amount of iron ore obtainable in Japan; (2) the trial manufacture of pig iron and steel; (3) the organisation of the works. The committee was successful in furnishing an elaborate and exhaustive report on the questions submitted to them; but the Government, being dissatisfied with some of the findings, ordered a new committee to make further investigations. This was done, and subsequently the trial manufacture of iron was successfully carried out at Kamaishi by the committee, under the personal supervision of Viscount Enomoto, at that time Minister of Agriculture and Commerce.

The Government being encouraged by the favourable completion of the various preliminary investigations, it was finally decided to put the scheme into practice; and, with that object in view, application was made to the Diet for the disbursement of the sum of 4,195,793.41 yen as expenses for the establishment of the works. The Government's proposals were passed unanimously by both Houses. On March 30th an Imperial Edict regarding the official organisation of the works was issued, Mr. Teiun Yamanouchi being appointed director-general of the works, with Mr. Michitaro Oshima as technical director, and Messrs. Taishin Nagao and Michisaburo Miyashita as managers. Towards the end of 1897, Mr. Yamanouchi resigned, and Mr. Rentaro Hotta, engineer-in-chief of the Mining Bureau, was called upon to act as director-general *pro tem.*, Mr. Tsunashiro Wada finally taking control.

The necessary land was purchased soon afterwards, and the survey of the ground and the earthworks was at once began. In the meantime, Mr. Michitaro Oshima, technical director, and three engineers belonging to the works were sent abroad to examine the existing condition of the steel manufacturing works in foreign countries, and also to seek the opinion of the noted experts in Europe and America on the various subjects connected with the new undertaking. As a result of the careful inquiries made by these gentlemen, it was found that the original estimates of the cost of construction were too small to admit of the successful carrying out of the plan which had been adopted by the Government.



SOME OF THE ELECTRICAL EQUIPMENT.

In 1898 the Diet was applied to for a further sum of 6,474,056 yen, the application being presented in the form of a supplementary Budget. The expenditure for the establishment of the works was thus increased to an aggregate total of 10,569,849 yen, which was to be defrayed during the four years ending 1901. The attention of the authorities was also directed to the import-

ance of securing for the works cheap and regular supplies of ore and coal, etc., as well as to the advisability of facilitating water transportation, owing to the abundance of goods coming to and leaving the works all the year round. The Government, therefore, submitted to the Diet, in the early part of 1899, estimates amounting to 8,632,845 yen, including 4,500,000 yen for working capital, 3,632,845 yen for the purchase of mines and carrying out improvements therein, and 500,000 yen for subsidising the Wakamatsu Harbour improvement works. The amount of expenditure appropriated for the establishment of the works was thus increased to 19,200,000 yen approximately by the addition of the working capital. Thanks to the indefatigable and unremitted exertions of the officials in charge, the construction works has now been almost entirely completed, and the working of the blast furnace and open hearth (No. 1) was commenced in February, 1901. The rolling mill plant also commenced work soon afterwards.

By sea the distance from Shimonoseki or Moji to Wakamatsu Harbour is ten (English) miles, and from the said harbour to the works somewhat above two miles. Within the harbour of Wakamatsu the depth of the water is, up to the loading-place of the railway, at ebb tide, 15 ft., and from the loading-place to the quay between 10 ft. and 14 ft. The former part is being dredged now, and will be made 20 ft. in depth. The water supply is carried in a conduit which leads the water from Itabitsu river to the works and distributes it over all yarts of them. The quantity of water thus supplied is, at the lowest water-level, 3,000 litres per minute; at the ordinary water-level, 6,000 litres. Two additional reservoirs have since been built.

The loading-stage, and, in fact, every portion of the works, are connected by railway lines with the Kiushu Railway Company's system.

A quay wall 630 metres long, with a water depth of 20 ft. at ebb tide, has been constructed, allowing for cargo being discharged simultaneously. There is also a large basin for shallow-draught vessels, with a frontage of 740 metres.

Three coal mines lying close one another in Kahogori, Chikuzen—namely, Takao, Igisu, and Uruno—have been purchased by the works, together with three iron mines, known as Akadani and Kano, in Kambara-gori, Echigo. These mines are expected to produce an annual output of 100,000 tons, the total amount of hematite iron ore in sight being estimated at 3,800,000 tons approximately. Besides the above, the works have a contract with the Hang-Yang Iron Works for the supply of ore from their mines in Taya, Hupeh, China, to the amount of 5-70,000 tons per annum.

50-TON ELECTRIC TRAVELLING CRANE.

The chief products of the works are Bessemer and open hearth steel. The raw material mostly consumed is magnetite and hematite, besides a much smaller quantity of limonite. Those ores are obtained partly from mines already mentioned, partly from other mines in Japan, and also from China. Coal is furnished by fields belonging to the works, as well as by private concerns, all fields being within thirty English miles of the works, and directly connected with them by railway. Three kinds of motive power are used—viz., steam, electric, and hydraulic power. With the sole exception of locomotives, steam power is produced in steam boilers fired with waste gas from blast furnaces and coke ovens. But while electric power furnishes about 1,500 h.p., and hydraulic power 3,200 h.p., there are fifty-two steam boilers of about 1,000 h.p., altogether the number of

steam engines being twenty-four, of 31,200 h.p. on the whole.

The pig iron department consists firstly of a coke oven and coal-washing plant, the latter having a capacity of 1,200 tons per twenty-four hours; secondly, the blast furnace plant, supplied with ore and flux bins, roasting furnaces, blast furnaces, hot stoves (8), Lancashire boilers (24), blowing engines (4), casting shed, condensers, cooling towers, electric cranes and hoists, etc.,

BESSEMER ROTARY CONVERTERS.

etc. The steel department is divided into four sections —viz., mixer plant, Bessemer plant, open hearth plant, and steel foundry. The rolling mill department is very extensive, occupying no less than thirteen buildings, and, like every other section of the works, is fitted with the most up-to-date appliances and plant. The iron foundry, repair shop, smithy, pattern shop, boiler house, chemical and mechanical laboratory, and inspection bureau, and general offices are also housed in large and substantial structures.

The above is, of course, only a very brief outline of the works; but our readers will be able to judge from the accompanying illustrations how complete they are in every detail.

JAPAN AND GREAT BRITAIN IN 1902.

VI.—The Progress of International Trade.

In many respects the year 1902 has been a remarkable one for Japan, industrially and politically. From an industrial point of view, the past twelve months have been months of opening out in various directions, and advance in several. Unfortunately, at the moment we have no figures available which would indicate what Japan has done in her factories and workshops. We have only imports and exports to guide us, and these, in many respects, are striking, and may be taken in lieu of actual figures representing production. It will be remembered that, in the series of articles in which the relationship of Great Britain and Japan has been dealt with in this journal, it was argued that if the latter country was to build up a staple industry, it would take the form of textiles, and not of a mineral character. The latest figures representing the exports of Japan confirm this contention, remarkable progress having been made not only in raw cotton importations, but also in the amount of cotton goods which have been sent out of the country. In fact, in manufactured articles of all descriptions the increase of 1902 over 1901 has been very marked, and the chief augmentations occur in textile manufactures. In the importation of raw cotton, the value of the quantities brought into the

輸出業代理店營業
日本語又ハ英語ニテ御通信被下度尤モ双方信用ヲ問合ヲ要スル事ニ御座候ハ下ニ記載致候
英國龍動セント、メリー、アックス街十四番館
レッヂヤー、ソンス商會
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England.

country during the first nine months of the year was over 61 million yen, compared with 45¾ million yen in the corresponding period of 1901.

The extent to which Great Britain has participated in Japan's requirements in manufactured textiles was, however, in no way impaired by this; in fact, our trade with Japan during 1902 has been of a most satisfactory character. It is beyond dispute that 1902 shows our goods in greater demand by Japan than in the previous year, and this will be clear from the appended table:—

Textiles.	*1902*	*1901.*
	£	£
Cotton Yarn and Twist	121,387	438,173
,, Piece Goods	1,330,181	802,101
Woollen Tissues	201,632	115,208
Worsted ,, ...	286,798	131,303
Iron and Steel.		
Pig Iron	51,334	77,035
Bar, angle, etc.	35,817	53,020
Railroad	170,852	32,597
Sheets and Boiler Plates	14,779	7,239
Cast and Wrought	124,620	130,965
Lead.		
Pig Manufactures	18 332	25,458
Machinery and Millwork.		
Textile Machines	77,898	143,834

We may add to this the tonnage of British vessels entered and cleared from Japan in 1902. The figures were 233,480 tons entered and 347,367 cleared, which are quite unapproached by any other country.

From the above table it will be observed that large increases have occurred in all textile manufactures, in some instances the advance being more than double. This happens to be the case in the higher classes of goods, such as cotton piece goods, bleached, printed, and manufactured or dyed, and in woollen and worsted piece goods.

In regard to iron and steel the record is not so entirely satisfactory, pig iron and several descriptions of manufactures showing diminutions, which it is to be feared means the success of one or more of our competitors—probably America. One feature, however, of this list has a great significance, both in regard to Japan's own internal development, and also in regard to the article itself. I refer to steel rails. Japan has learnt the lesson that even some of the great Western countries have not yet fully grasped the importance of —namely, the necessity of transport facilities; and therefore she is providing railways to those parts where natural conditions supply means of industry and commerce. In 1901, Japan imported from this country 32,597 tons of railroad material; in 1902 this figure had expanded to 175,886 tons, or five times the quantity, which indicates considerable activity in the construction of railroad track.

As to the reverse of the picture—what we have taken from Japan—unfortunately, the classification of countries in the monthly Board of Trade Returns are not sufficiently detailed to traverse the subject with anything like thoroughness. As we have pointed out previously, there is great room for extension of the articles we take from Japan, the chief commodity now being silk, which in 1902 showed considerable decline—from 40,120 lbs. in 1901 to 25,927 lbs. in 1902.

S. O.

AMBASSADORS OF COMMERCE.—III.

Mr. H. Franks.

It is really a very difficult matter to decide who is to be congratulated the most—the firms that have secured the services of the gentleman who is the subject of these

MR. H. FRANKS.

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Extra Quality, 1893.

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Represented in Japan by W. TOICHI TSUMURA.

few remarks, or their representative, Mr. Franks, himself. Certainly Messrs. Aspinall's Enamel Company, Limited, "Sanitas," Limited, and Messrs. Batty and Co., Limited, are to be complimented in having so able a representative to look after their interests in the Far East; while, on the other hand, Mr. Franks should consider himself extremely lucky in having the vending of three articles of such world-wide reputation. Owing partly to the limited space at our disposal, and as we hope shortly to refer more fully to the three concerns that Mr. Franks is representing, we will content ourselves with the briefest possible outline of their specialities.

The many advantages which Aspinall's Enamel possesses for both exterior and interior decoration are so well known and appreciated that it will only be neces-

Table Showing the Export Trade of Japan.

UP TO AND INCLUDING NOVEMBER, 1902, AS COMPARED WITH THE CORRESPONDING PERIOD IN 1901.

EXPORTS.	November, 1902.	November, 1901.	Eleven Months, 1902.	Eleven Months, 1901.
MANUFACTURED ARTICLES.	*Yen*	*Yen*	*Yen*	*Yen*
Silk tissues, habutae	2,389,536	2,075,990	20,100,403	18,409,856
„ „ kaiki	340,526	290,770	2,063,031	773,128
Silk handkerchiefs	174,927	312,236	2,808,115	3,543,364
Cotton tissues	558,493	646,101	4,813,375	4,376,698
Carpets, hemp or cotton	63,819	33,433	541,331	541,857
Matches	749,385	884,239	6,846,437	6,214,066
Mats and mattings, Hanagoza	401,600	707,681	5,358,765	3,941,309
Porcelain and earthenware	239,523	235,945	2,110,781	2,112,721
Lacquered ware	68,336	78,432	750,887	863,872
Umbrellas, European	30,716	29,953	972,360	931,289
Others	2,170,354	1,991,347	16,042,691	13,015.734
Total	7,187,215	7,286,127	62,408,176	54,723,894
MANUFACTURED ARTICLES, HALF WROUGHT.				
Silk, raw	9,755,444	7,591,668	57,403,638	58,275,638
„ noshi and waste	938,642	696,647	4,001,387	2,960,420
Cotton yarns	2,295,293	1,885,794	14,751,024	17,438,000
Straw-plaits	339,042	244,643	2,229,755	2,467,271
Tea	980,665	655,776	9,425,354	8,223,793
Camphor	310,839	232,592	2,810,661	3,425,064
Kanten or colle vegetable	28,745	139,294	1,048,240	1,109,404
Others	1,154,443	1,090,777	8,310,033	7,131,019
Total	15,803,113	12,537,191	99,980,092	101,030,609
RAW PRODUCTS.				
Coal	1,329,426	1,551,883	14,358,867	14,713 419
Rice	138,492	91,268	5,883,409	5,003,866
Cuttle-fish	197,930	255,943	1,545,714	1,413,911
Sea-weeds and cut sea-weeds	178,735	283,738	758,656	1,154,954
Mushroom, shiitake	86,636	54,736	676,739	691,039
Copper, coarse and refined	701,959	1,243,097	7,958,350	11,596,716
Fish oil	111,570	124,291	1,346,661	868,046
Vegetable wax	56,559	79,721	639,568	465,096
Others	1,292,977	1,659,877	9,394,908	10,761,370
Total	4,092,284	5,344,554	42,562,872	46,668,417
Grand total	27,082,612	25,167,872	204,951,140	202,422,920

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sary for us to confine our remarks to some of the chief uses to which it may be applied. Unlike ordinary paints, the surface of this enamel hardens with age; it is not acted upon by atmospheric changes, and is therefore specially suitable for interior decoration where gas is used for illuminating or heating purposes, or where the air is likely to become charged with sulphur, carbon, etc. For these and other sanitary reasons, it is particularly well adapted for theatres, restaurants, hotels, hospitals, public buildings, domestic purposes, etc., etc. The enamel is put up in every conceivable variety of shades to match existing decorations or to meet the requirements of the various markets.

If the Japanese are believers in the old proverb, "That a nation's health is the source of her wealth," they cannot do better than lend an ear to Mr. Franks when he sings the praises of the very excellent preparations of the "Sanitas" Company; or, perhaps better still, make haste to purchase some of these. "Sanitas" is put up in a very great variety of styles, and includes not only the ordinary dry and liquid disinfectants, but can be procured in the form of soap, tooth powder, cream, floor polish, tablets, distempers, etc., etc.

The world-renowned Nabob Sauce and Pickles—in fact, all the articles made by Messrs. Batty and Co.—are much too well known and appreciated, not only in this country, but in Japan—where the familiar picture of our friend the Nabob is to be found on almost every table—to need any recommendation from us, nor would it be fair to attempt such in the space at our disposal.

Although still a young man, Mr. Franks has won more than ordinary distinction in the commercial world. His steadfast attention to the interests he represents, his affable and courteous manner, and his undoubted abilities, are manifested by the high esteem in which he is held by all who have come in contact with him.

Table Showing the Import Trade of Japan.

UP TO AND INCLUDING NOVEMBER, 1902, AS COMPARED WITH THE CORRESPONDING PERIOD IN 1901.

IMPORTS.	November, 1902.	November, 1901.	Eleven Months, 1902.	Eleven Months, 1901.
GROUP I.	*Yen.*	*Yen*	*Yen*	*Yen*
Cotton raw	4,491,090	3,741,581	65,875,577	49,492,190
Cotton yarns	128,803	507,429	1,656,578	4.174,009
Wool	192,250	245,105	2,783,049	2,752,105
Iron nails	144,520	111,035	1,296,948	1,200,801
Rail	167,459	14,337	1,146,304	1,576,258
Iron, bar and rod	291,430	451,639	3,087,152	2.959,637
Other iron and steel	564,536	483,909	5 873,445	5,552,657
Indigo, dry	209,727	120,560	2,702,666	2,236 329
Paper (except Chinese paper)	405,130	102,329	2,999,720	1,970,007
Leather, sole and other	111,250	100,036	1,149,486	1,082,262
Machinery and engines	846,160	1,344,039	5.752,387	10,459,356
Locomotive engines, railway passengers and railway freight	55,964	114,550	2,426,391	2,393,569
Steam vessels	377,760	...	701,466	943,852
Others	3,684,608	3,048,832	28 902,785	29,410,057
Total	11,620,687	10,385,381	126,303,894	116,203,089
GROUP II.				
Mousseline de laine	507,250	314,822	2,839,926	2,951 800
Woollen and worsted cloths	304,049	110,544	1,765,042	1,247 120
Italian cloths	122,550	64,501	977,602	538,169
Flannels	47,152	37,977	457,141	296,962
Shirtings and cotton prints	847,046	325,389	8,207,589	3,520,466
Cotton satins and cotton velvets	356,329	142,970	2,536,186	1,926,883
Sugar, brown and white	2,354,484	330.700	11,258.083	33.059,910
Watches	21,072	17,635	183,172	357,369
Others	1,661,686	1,285,573	13,289,323	12 561.477
Total	6,221,618	2,630,111	41,514,064	56 360,156
GROUP III.				
Rice	3,541,838	341,118	11,944,649	11,449,155
Beans, peas and pulse	455,507	380.577	3,794,000	3,955,642
Kerosene oil	975,551	476,235	13,408,913	13,978,326
Oil-cake	1,074,448	1,005,805	8,870,456	7,531,266
Others	1,878,427	1,222,917	14,493,351	12,003,081
Total	7,925,771	3,426,722	52,511,374	48,917,470
Grand total	25,768,076	16,442,214	220,329,332	221,480,715
Total of exports and imports	52,850,688	41,610,086	425,280,472	423,903,635
Excess of exports	1,314,536	8,725,658	...	...
,, imports	...	...	15,378,192	19,057,795

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THE GREAT MEN OF JAPAN—.I.

H.I.M. The Emperor of Japan.

BY ALFRED STEAD, F.S.A., etc.

"WE, sitting on the Throne, which has been occupied by our dynasty for over 2,500 years, and now exercising in our own name and right all the authority and power transmitted to us by our ancestors——"

So runs the beginning of one of the Imperial rescripts issued in 1881. What a vista to look back upon—2,500 years! And how short all other dynasties appear compared with this! And to feel that all the power of all these countless predecessors is concentrated in the present occupant of the Throne of Japan! I quote this sentence in order that some small idea may be given at once of the wonderful position held by his Imperial Majesty the Emperor of Japan.

The people of Europe may laugh at both the statements contained in the sentence, but if an Emperor and the people he governs are both convinced of their truth, it is all that is necessary for the maintenance of that position and its attendant results in that country. The English, who struggled against the "divine right of kings" under the Stuarts, and whose older kings claimed to be divinely appointed of the Deity to rule, understanding what power that force wielded for them then, should be able to comprehend the position occupied by the head of the Japanese State to-day. For the Emperor of Japan is not only appointed by the Deity, but, by virtue of his ancestors, embodied in him is the Deity himself. As soon as one has grasped that fact, one can see clearly how it is that in Japan the Emperor's influence is everything. It is the invisible, all-reaching arm of the Divine, stretching everywhere and guiding everything to accomplishment. All explantions of why things happen in Japan fail, when no account is taken of the power of the Emperor. Seldom seen out of his palaces, enthroned perpetually high above his subjects, the Emperor yet possesses a grasp almost phenomenal of the affairs of his country. And yet his youth was spent, before the Restoration, in seclusion from all the happenings of the nation. By the way, it may be noticed *en passant* that the so-called Restoration was not what its name implies, but rather a gathering more firmly and actually into the Imperial hand of the reins of government.

The worship of ancestors is universal in Japan, and even the most advanced progressives meet together, with the other members of their families, to do reverence to the ancestors of their house. This is in itself interesting, but the more immediate interest comes from the fact that, in addition to the worship or veneration of ancestors—of one's own ancestors—everyone worships the Imperial ancestors as the highest

form of ancestral devotion. And all the rights and power of these Imperial ancestors are contained in the person of the Emperor. Thus the universal veneration of ancestors, with the Ancestors of the Emperor as a foundation, on which the worship is built up, is another and most binding claim holding the Japanese people to their Emperor in blind, unswerving devotion.

Jimmu Ten-no was the first of the human Emperors. Having brought the whole land under one rule, he performed great services to the Divine Ancestors, cherished his subjects, and thus discharged his great filial duty, as did all the Emperors after him. So also all the subjects were deep in their respect and adoration toward the Divine Ancestors and the Emperors, their descendants.

Shintô is a beautiful cultus peculiar to Japan, and is considered the foundation of the perpetuity of the Imperial House, the loyalty of the subjects, and the stability of the Japanese State.

Perhaps enough has been said to demonstrate the unique position held by the Emperor of the Japanese in relation to his people. Japan has a Constitution and excellent laws; but greater than all these, as I have said, is the authority of the Emperor. A perusal of the Imperial edicts and speeches can only impress upon one more and more how strongly he feels his inherited rights and duties; and the amazing thing is that, holding so entirely satisfactory a position, he should have launched out in the direction of progress. The most striking fact in the new era is that the Emperor has made the best of circumstances in such an able manner as to remain at the head of them.

It is not possible to quote all of the decrees of the Emperor mentioned above, but much will be learned from his speech on education, used constantly in the schools of Japan. It runs as follows:—

The founder of Our Imperial House and Our other Imperial ancestors laid the foundations of Our Empire on a grand and everlasting basis, and deeply implanted the virtues to be ever cherished.

The goodness of Our subjects, displayed generation after generation in loyalty and piety and in harmonious co-operation, constitutes the fundamental character of Our country, and from this the principles of education for Our subjects has been derived.

Do you, Our subjects, be filial to your parents, kind to your brothers, harmonious in your relations as husbands and wives, and faithful to your friends; let your conduct be courteous and frugal, and love others as yourselves; attend to your duties, and practise your respective callings; cultivate your intellectual faculties and train your moral feelings; foster the public weal and promote the interests of society; ever render strict obedience to the Constitution and to all the laws of Our Empire; display your public spirit and your courage on behalf of Our country whenever required, and thereby give Us your support in promoting and maintaining the honour and prosperity of Our Empire, which is coeval with the heavens and with the earth.

Such conduct on your part will not only be what is fitting in Our good and loyal subjects, but will also make manifest the customs and manners bequeathed to you by your ancestors.

These instructions bequeathed to us by Our Imperial ancestors, to indicate the course of conduct which We and Our subjects are bound to pursue, have been of unfailing validity in all ages past, as in the present, and in all countries.

Consequently, We trust that neither We nor Our subjects shall at any time fail to observe faithfully these sacred principles.

In all the schools hang portraits of the Emperor, and also in all public buildings, and on board all men-of-war. On the warships the officers salute the portrait of the Emperor when, on prescribed occasions, it hangs uncovered.

In 1893 the Emperor, in a message to the Imperial Diet concerning the building of men-of-war, gave the following *resumé* of the progress of Japan, and gave also an example worthy of imitation with regard to his own household expenses and the raising of money for national purposes. The phrase, "With regard to matters of national defence, a single day's neglect may involve a century's regret," is one which might have fallen from the lips of that maker of striking sentences, the German Kaiser. The principal portions of the message are as follows:—

During the twenty odd years which have elapsed since We assumed the reins of Government, the feudal policy has been abolished, and replaced by a Government of progress; and, having regard to the conditions existing in the outer world, We have entered the route of international intercourse; but each and every part of the Executive has been framed on the lines bequeathed Us by Our ancestors, no object being contemplated other than to promote the welfare of Our subjects, and to further the prosperity of the State.

We established the Diet, trusting that thus, by the multitude of counsels, the cardinal work of the nation would be facilitated. The Constitution is now in its earliest stages of its operation. Circumspection is essential in the beginning, so that the achievement may be assured in the end. To-day the outlines have to be fixed so that hereafter the great whole may be completed. The force of the progressive movement receives day by day, in all countries, more and more rapid increasement. In such an era as the present, any semblance of time squandered in fruitless quarrelling, or any opportunities forfeited for extending the country's prosperity, is a spectacle We have no desire to display to the spirits of Our ancestors, neither can the fair goal of representative institutions be reached by such routes.

With regard to matters of national defences, a single day's neglect may involve a century's regret. We shall economise the expenses of the household, and shall contribute, during the space of six years, a sum of three thousand hundred yen annually. We direct Our military and civil officials, except in cases where special circumstances interfere, to contribute one-tenth of their salaries during the same period, which sum shall be devoted to supplement the fund for building men-of-war.

As I said before, Japan possesses a Constitution, and it is of much interest to observe how carefully the rights and prerogatives of the Emperor are preserved on it. The building of this Constitution was, perhaps, the hardest of all the tasks laid upon the present Marquis Ito—to frame a Constitution suitable for a country like Japan. There are seventeen articles in the Constitution which deal with the rights of the Emperor —a small number when we remember that thirty years ago he had undefined and absolute rights under the feudal system. The articles run thus:—

Article I.—The Empire of Japan shall be reigned over and governed by a line of Emperors unbroken for ages eternal.

Article II.—The Imperial Throne shall be suc-

ceeded to by Imperial male descendants, according to the provisions of the Imperial House Law.

Article III.—The Emperor is sacred and inviolable.

Article IV.—The Emperor is the head of the Empire, combining in himself the rights of sovereignty, and exercising them according to the provisions of the present Constitution.

Article V.—The Emperor exercises the legislative power with the consent of the Imperial Diet.

Article VI.—The Emperor gives sanction to laws, and orders them to be promulgated and executed.

Article VII.—The Emperor convokes the Imperial Diet, opens, closes, and prorogues it, and dissolves the House of Representatives.

Article VIII.—The Emperor, in consequence of an urgent necessity to maintain public safety, or to avert public calamities, issues, when the Imperial Diet is not sitting, Imperial ordinances in place of law.

Such Imperial ordinances shall be laid before the Imperial Diet at its next session, and when the Diet does not approve the said ordinances, the Government shall declare them to be null and void for the future.

Article IX.—The Emperor issues, or causes to be issued, the ordinances necessary for the carrying out of the laws, or for the maintenance of the public peace and order, and for the promotion of the welfare of the subjects;

But no ordinance shall in any way alter any of the existing laws.

Article X.—The Emperor determines the organisation of the different branches of the Administration, and the salaries of all civil and military officers, and appoints and dismisses the same. Exceptions especially provided for in the present Constitution, or in other laws, shall be in accordance with the respective provisions bearing thereon.

Article XI.—The Emperor has supreme command of the Army and Navy.

Article XII.—The Emperor determines the organisation and peace standing of the Army and Navy.

Article XIII.—The Emperor declares war, makes peace, and concludes treaties.

Article XIV.—The Emperor proclaims the law of siege. The conditions and effects of the law of siege shall be determined by law.

Article XV.—The Emperor confers titles of nobility, rank, orders, and other marks of honour.

Article XVI.—The Emperor orders amnesty, pardon, commutation of punishment, and rehabilitation.

Article XVII.—A Regency shall be instituted in conformity with the provisions of the Imperial House Law.

The Regency shall exercise the powers appertaining to the Emperor in his name."

In Japan also the Ministers of State forming the Cabinet are responsible only to the Emperor—in itself a great power. To quote his own words: "As to the appointment and dismissal of Our Ministers of State, it rests entirely with Our pleasure, and no interference can be allowed on the part of anyone else." (December 24th, 1893.)

But enough of this side of the Emperor's existence. Let us see what manner of life he leads, and gather together all that can be learnt about his occupations and the lives of the Imperial Family.

As has been said before, the Emperor does not very often leave his palaces, and except when driving to the railway station, or from one palace to the other, is not often seen in the streets of Tokyo. But whenever he does drive, then his subjects crowd together to give him respectful homage.

H.I.M. MUTSUHITO EMPEROR OF JAPAN.

Every year His Majesty attends the military manœuvres; indeed, in common with all his subjects, he takes a great pride and interest in the army. Formerly the common soldiers in the manœuvres gained little from his presence, save the inspiration of knowing that he was overseeing their movements; but recently the Emperor has won universal approbation in Japan by calling up the most worthy soldiers and addressing a word or two of praise or pleasure to them. It is a touching sight to see how the men exert every effort to earn for themselves the reward more desirable to them than material gift. Besides attending the manœuvres, the Emperor has occasionally opened

Parliament; and in Mrs. Fraser's delightful "Letters from Japan" we find a short description of the first such ceremony:—

From early morning the streets were crowded with people, and the great open spaces around the Houses of Parliament were packed with dense crowds, such as always gather eagerly when there is a chance of beholding the Sovereign. The procession was headed, of course, by Guards and outriders, and then there came three carriages full of Imperial Princes (cousins and uncles of the Emperor), old enough to take their seats in the House of Peers; then the beautiful State coach, with its glass sides and golden phœnix crown, its six splendidly caparisoned horses, and gorgeous attendants, passed slowly by, carrying the Emperor, in his Marshal's uniform and many decorations, attended by Marquis Tokudaiji, the Lord High Chamberlain, who sat on the opposite seat. A body of Life Guards followed the Emperor's coach.

The House of Peers presented an imposing sight when he entered and took his seat on the throne, surrounded by that great concourse of subjects and courtiers. The Commons were all gathered in the hall, some of the lower seats having been removed to give them standing room. The Empress, with the Princesses and her ladies (the only women present) took their places in the box prepared for them; and the Strangers' Gallery, as well as every available corner, was crowded with smart uniforms and brilliant decorations. The members of the Lower House were almost all in plain evening dress, and it was maliciously remarked that they looked fluttered and delighted; while the Peers, conspicuous in their gorgeous military and official uniforms, preserved the impassive dignity and calm which mark the Japanese aristocrat. When the Marshals entered, preceding the Emperor, the House rose and stood in breathless silence, and then bowed as one man almost to the ground as he took his seat. The first sound heard was the Emperor's voice, when, standing before the throne, he made his first speech to his first Parliament. It was one of those incidents which strike the hour clear, for all men to hear, in the course of a country's history; and no one then present will forget the solemn moment.

It was, however, at the time of the Chinese War of 1894-95 that the Emperor appeared most in public. Then he travelled to Miyanoshita, and, as head of the army and navy, took up his headquarters there. The conclusion of the war provided for him a magnificent popular ovation.

In his palaces in Tokyo, the grounds of which are very extensive, the Emperor spends a busy time. The palace is a beautiful erection, and all the elements of Japanese architectural art have been retained, while at the same time allowances have been made for the demands of modern civilisation. It is a source of congratulation that, although it has been deemed necessary to adopt European clothing for official functions, the palace has remained Japanese. Its countless rooms are filled with costly works of art, and, even without the movable adornments, the lovely polished woods of the palace itself make up a wonderful picture. But all else is forgotten as soon as the presence of the Emperor, the jewel in this rich setting, is reached. He is one of the few monarchs who always live up to the majesty of his position, and he impresses that majesty upon all who come into contact with him.

The Emperor takes a keen interest in many topics concerning which the outside world would be surprised to hear that he knew anything. It must be remembered, however, that the Imperial Household, although so secluded, has many sources of keeping in touch with outside events.

On the occasion of their silver wedding celebrations, both the Emperor and the Empress came, more or less, into contact with the foreign representatives and high officials. There was a grand dinner at the palace, and the Emperor, resplendent in his Field Marshal's uniform, covered with decorations, sometimes allowed a smile to illuminate his generally cold and reserved face. The Empress has a more unrestricted life, and, indeed, is much more often seen in public than her Imperial Consort. She is devoted to charity, and also does much towards the encouragement of art, not only by a liberal bestowal of her patronage, but by attending the various exhibitions, frequently making extensive purchases.

The Emperor has always been anxious to welcome members of the Royal Families of other lands. The present Prince of Wales, when a midshipman, was entertained most royally in Japan, and in later years both the Duke and Duchess of Connaught met with every hospitality, and their Japanese hosts do not remember —or, at least, the remembrance does not dim their welcome—that occasion when the call of Prince Komatsu, one of the Imperial princes, on the Prince of Wales to confer on him a high decoration was never returned. The visit of the present Tzar, as Heir Apparent, was marred by the attack on his life by a policeman. The Emperor had made himself personally responsible for the safety of his guest, and the commotion may therefore be imagined. The Empress was broken-hearted, and sent message after message to the mother of the young Prince. It is reported, on trustworthy evidence, that she was so moved that she spent several nights and days in tears. The Emperor decreed that the attempted assassin should be executed, but was reminded by his judges that, according to the Constitution, the man must have a trial, and could only be punished by the law. It was to the credit of the Emperor that he accepted this contravention of his Imperial whim, and the man received ten years' imprisonment.

In November there is held the great garden-party in honour of the Emperor's birthday. Everyone is attracted, both by the Emperor and the Imperial Family, and by the magnificent chrysanthemums of the palace gardens. This party is always held at the Aoyama Palace. This is not the usual residence of the Emperor, but is generally occupied by the Crown Prince and Crown Princess. It was here that, in 1901, a son was born to the Heir Apparent, and a grandson to the Emperor. The rejoicings were universal and on a magnificent scale. The relief of feeling that the succession was secured was tremendous, since the delicate health of the Crown Prince had made many anxious as to the future.

A. S.

Following are the names of recently-elected members of the Japan Society:—Mrs. C. Ewens, Mrs. Arthur Delgarno Robinson, Mr. and Mrs. Olga Massy Leech, Alderman and Sheriff Sir George Wyatt Truscott, Messieurs George Frederick Rogers, M.A., M.D., George Dean, A.M.I.E.E., A.M.I.M.E., Abel Heywood, William Edward Steers, and Edward J. Steinberg. Messieurs G. H. Hornblower, Cairo; Thomas Ellis Kirby, New York; and Percy E. D. Malcolm, M.D., New York, have been elected corresponding members.

THE FINANCES OF JAPAN.*

By Robert A. McLean, F.R.S.S., F.R.G.S., etc.,
Member of Council Japan Society.

The recent alliance between Britain and Japan has so increased the interest of our country in the condition and welfare of our ally that the interest may, in some little measure, be satisfied by the information contained in the following paper. No better medium for imparting that information could be desired than the Japan Society of London, which aims at throwing light on Japan, and cementing the friendship of the two peoples by better acquaintance.

The finances of a country are so inwoven with the industries, condition, and circumstances of its people that I shall refer to anything relating to Japan, though not directly finance, which may tend to throw light upon it. For the sake of clearness I have converted the money, weights, and measures of Japan into British equivalents, sufficiently nearly to convey a true general idea, whilst avoiding the minutiæ which absolute accuracy would involve. As an example, the yen, worth 2s. 0½d., is taken at 2s. In considering the finances of Japan let us first of all deal with the revenue which it derives as a State, the sources from which it is drawn, and the purposes to which it is applied.

Revenue.—The total revenue for the current year is estimated at about 28¼ millions sterling, as against 11⅜ millions in 1893, being an increase of 150 per cent. in nine years. The revenue is derived chiefly from the following sources:—(1st) From taxation, 15½ millions; (2nd) stamps and sundries, 2 millions; (3rd) public undertakings and State property, 5¼ millions; (4th) extraordinary sources, such as public loans, indemnity, etc., 5⅝ millions; total, £28,250,000. Of the revenue from taxation nearly three-fourths is levied on sake, soy, and land. The tax on sake and soy produces about 44 per cent.; the tax on rice fields, farms, and other lands, 30 per cent.; customs' duties produce about 11 per cent.; a business tax, 4½ per cent.; income tax, 4 per cent.; sundries, 6½ per cent. The business tax is unknown in the United Kingdom. It was introduced in Japan in 1896, and levied generally on all kinds of commercial and industrial business. It is calculated at varying rates on the capital employed, the rental value of the buildings occupied, and the number of employees, which is usually one yen per head. From the income tax those incomes are exempted which are under £30 a year. Incomes from £30 to £10,000 a year and upwards are divided into classes, according to amount, and the tax on them rises from one per cent. on the smallest to 5½ per cent. of the largest. The tax on sake has been revised no fewer than seven times since 1871.

The customs' duties, for more than thirty years, were regulated by treaties with foreign nations, but, in consequence of the revision of the treaties, the Japanese obtained control over their own tariff in 1899, and completely altered it. Taxes are also levied on convertible bank notes, on mining, shipping, patent medicines, and vehicles. The revenue from public undertakings and State property is derived from the following sources, viz.:—(1st) post and telegraph, about 50 per cent.; (2nd) Government monopoly of leaf tobacco, 23 per cent.; (3rd) Government railways, 17 per cent.; (4th) sundries making up the remaining 10 per cent.

Expenditure.—We have now to consider the purposes to which the revenue of 28¼ millions sterling is applied. These may be classed under three heads:—(1st) Administration, about 15½ millions; (2nd) military, about 7½ millions; (3rd) communications, about 5¼ millions; total, £28,250,000.

The expenditure has been apportioned amongst the various Governmental departments, as follows:—Imperial Household, £300,000; home and foreign affairs, about £2,950,000, together about 3¼ millions; finance, about 10¼ millions; justice and education, nearly 2 millions; communications, agriculture and commerce, about 5¼ millions; Army, about 4½ millions; Navy, about 3 millions; total, 28¼ millions.

National Debt.—It was to have been expected that the changes rendered necessary in Japan by the revolution of 1868, and the introduction of Western civilisation, should have required the State to raise large sums of money for the introduction, and carrying on, of railways and other public works, for facilitating industrial enterprises, for adjusting the pensions and debts of feudal fiefs, for redeeming the paper currency, and for the creation of an Army and Navy. The total amount raised for these purposes, including the loan of 1902 recently brought out on the London market, is about £89,000,000 sterling, but of this sum about £29,000,000 have been redeemed, leaving about £60,000,000 as the present National debt of Japan. The growing increase, in public estimation of Japanese securities will be appreciated by pointing out that interest at 9 per cent. was paid on the first foreign loan in 1870, for the construction of the first railway line in the country; only 7 per cent. was paid on the next loan in 1873, for compensating those who gave up their pensions; whilst only 5 per cent. is the rate on the last loan, which was issued at par. The two first-named loans, at high rates of interest, were also issued at large discounts, but both have been redeemed, and the price of the existing loans in the London market yields an investor little more than 4½ per cent. Practically, Japan can now obtain money in London at one-half what it cost them thirty-two years ago. The reasons for this are (1st) that Japan then was unknown to the financial world; (2nd) that time was needed to prove the stability of the immense changes it had adopted; (3rd) that public confidence is a plant of slow growth; and (4th) that the world had no previous experience of a Far Eastern people adopting Western methods, and working them successfully.

Small as the National Debt is, it should be remembered that a large part of the money has been used for productive industrial enterprises. (1st) Out of the 3,855 miles of railway open to traffic in 1901, 949 miles, or nearly a fourth, belonged to the Government, with an even greater proportion of the rolling stock, including engines, passenger cars, and freight wagons. The receipts from these Government railways for freight and passenger fares in 1900 was about a million and a half sterling, of which about half was net profit. To illustrate the immense development of traffic over the railways of Japan, I may state that the number of passengers, the amount of goods carried, and the money received for freights and fares have each more than trebled in the six years from 1893 to 1899. (2nd) Special funds and amounts of capital were in the State Treasury, which in 1900 were over £10,000,000 sterling.

Currency.—In 1871 Japan adopted the gold standard, but, being in the midst of silver-using countries, found much difficulty in maintaining it, and consequently made legal tender also of one yen silver trade dollars, thus practically adopting a gold and silver bimetallic system. Through the gradual fall in the value of silver, gold was increasingly withdrawn from circulation because of its higher metallic value, until the gold standard became practically changed into a silver standard. In this unsatisfactory state the currency remained until 1897, when the influx of the Chinese indemnity enabled the Japan Government to pass the new coinage law, finally establishing a pure gold monometalism. The total

* Paper read before the members of the Japan Society, 11th February, 1903.

amount of currency in circulation in 1901 was about £30,000,000 sterling, of which one-third was in specie, and two-thirds in paper. The coins now in use in Japan are in four metals—gold, silver, nickel, and bronze. The gold coins are for 20, 10, and 5 yen, with a face value equivalent to about £2, £1, and 10s. These gold coins are all legal tender, and may be used in monetary transactions to any amount. The silver coins are for 50, 20, 10, and 5 sen, equivalent in sterling to about 1s., 5d., 2½d., and 1¼d. These silver coins are issued as subsidiary money, and are legal tender up to the amount of 10 yen, or £1 only. The one yen silver coin, formerly used, was withdrawn in 1897. The nickel coin is a 5 sen piece, worth about 1¼d. It was first issued in 1889. Bronze coins are for 2, 1, and ½ sen, equivalent to about ½d., ¼d., and half a farthing. Old bronze coins are still in circulation for 2, 1, and ½ rin, worth from one-fifth to one-twentieth of a farthing. They have square holes in the centre, like Chinese cash. There are 10 rin in a sen, and 100 sen in a yen. Besides these, by the regulation of the Bank of Japan, and the convertible notes regulation, convertible notes are practically used as legal tender.

Banking.—Since 1884 no bank can issue convertible bank-notes, except the Bank of Japan, on the security of gold or silver coin and bullion equal to the amount of the notes issued, and a further issue, against Government Bonds, Treasury Bills, and other reliable securities. Besides the Bank of Japan, other six kinds of banks have been established, under the special patronage and strict control of the Government. These are:—

1. The Yokohama Specie Bank, for Foreign Trade.
2. The Hypothec Bank of Japan, for making long-period loans, at low interest, for improvement and development of agriculture and industry.
3. Agricultural and Industrial Banks, for locally carrying out the same object.
4. The Bank of Hokkaido (formerly called Yezzo), to encourage the colonisation and exploitation of that part of Japan.
5. The Bank of Formosa, for the economical development of that island.
6. The Industrial Bank, to make loans on bonds, shares, and other movable property.

Besides these special banks, there are numerous ordinary and postal savings banks throughout the country, under the control of the Minister of Finance.

Products.—Let us now consider briefly the products of Japan:—(1st) Agricultural, (2nd) Mineral, and (3rd) Marine.

Agricultural.—It is estimated that ⅞ths of the surface of Japan is covered by mountains, and that only ⅛th is arable land, embracing about 34,000,000 acres. Fully one-half of this acreage is covered by forests, whilst little more than a third is under cultivation. By far the greatest agricultural product is rice, which forms the principal food of the people. More than one-half of the cultivated land is given up to its production, and the quantity raised in 1900 was nearly 200,000,000 bushels, or twenty-eight bushels per acre. Next to rice comes the production of barley, rye, and wheat, which, in quantity, together, were in 1900 about half the production of rice, or 100,000,000 bushels. The other chief agricultural products are sugar and tea, silk (in cocoons and raw), salt, also leaf tobacco and camphor, which are both a strict monopoly of the Government. As to camphor, it is estimated that Formosa yields five-sixths of the camphor production of the world.

Mineral.—The minerals of Japan are mined entirely by private enterprise, with the exception of a small fraction of the coal and iron, which is produced from official mines. The gold production has more than doubled in the five years ending with 1900. During the same period the output of copper, lead, iron, and coal has increased from 21 to 50 per cent. The production of petroleum is also being developed. In 1898, about 5,000,000 gallons of refined oil were obtained. The production of silver has, however, fallen 23 per cent. in the five years already named. The quantity still mined is enormous. There is also a considerable falling off in the production of antimony, manganese, and sulphur.

Marine.—A considerable fishing industry is carried on around the coasts. Over 2½ million persons were wholly or partially engaged in this trade in 1891, procuring not only large quantities of fish and seaweed for the food of the people, but fish manure for the land, and fish oil.

Manufacturers.—In 1898, woven goods, chiefly silk and cotton stuffs for garments and sashes, were made of the value of about £15,000,000 sterling, being an increase in five years of nearly 150 per cent. A remarkable feature of by far the greater part of the manufactures of Japan is that they are carried on in private houses, the industry being a family concern, in which often father, mother, and children work side by side in the home. As an example of this, I may say that in 1899 the silk manufacture was carried on in upwards of 460,000 houses and in only 4,400 factories. Cotton spinning is also an extensive manufacture in Japan. In 1899 it produced 350,000,000 lbs. of yarn, being an increase of three times the production in five years. Amongst the minor manufactures are the making of foreign paper from rags and rice straw, and of matches, each to the value of over half a million sterling in 1899. The former has doubled its production, and the latter added 50 per cent. to it, in five years. All these industries, in 1899, employed over a million and a half operatives, of which about 85 per cent. were women and only 15 per cent. men. Perhaps the Japanese manufacture which comes most to our notice in this country is the porcelain, lacquer, bronze, and copper articles. In 1899 it employed 45,000 artizans, and the total production was worth over 1¼ million sterling, being double what it was five years before. The principal increase has been in lacquer, the next in bronze and copper, and the least in porcelain.

Wages.—Labour is cheap in Japan. No worker in Tokio earns as much as 2s. a day, and throughout the country wages are still less. The best paid in Tokio are those engaged in house building. In 1901 carpenters, plasterers, bricklayers, paper-hangers, etc., earned, on an average, from 1s. 8d. to 1s. 11d. a day, but the labourer doing necessary work for house building received only 1s. a day. Workers for the person are paid less than for the house. The tailor who makes Japanese clothes has 1s. 5d., whereas the tailor who makes foreign clothes has 1s. 7d. a day, and the shoemaker about the same, but the clog maker only 1s. a day. Small as these wages are, looked at from our standpoint, they are 50 to 100 per cent. more than they were ten years before. Perhaps the worst-paid workers are those engaged in the manufacture of soy and sake. The former earns only 4d. and the latter 7½d. a day, and yet these apparently miserable pittances are more than double what they were ten years before. The lacquerer, ship carpenter, and mat maker are paid as well as the bricklayer at 1s. 8d. a day, but the printer gets only 8d. Female labour in Japan, as in other countries, is paid considerably less than male, being little more than half, but it has fully participated in the general rise of wages, having doubled in the five years from 1894 to 1899.

Prices.—It was to have been expected that the increasing production, manufactures, and wages in Japan should have been accompanied by a rise in the prices of staple commodities. In raw materials and necessaries the rise has grown steadily. The average prices in 1900 were 83 per cent. more than in 1887. Luxuries have shared in the upward movement, the price of clear sake, for example, having risen during the last ten years nearly 150 per cent. A corresponding rise has taken place in the retail prices of the necessaries and luxuries of life, so that

it may be said £1 would go nearly as far ten years ago as £2 do to-day.

Foreign Trade.—The total exports and imports of various commodities at the end of 1900 were nearly £50,000,000 sterling, almost three times what they were seven years before.

EXPORTS.—The exports in 1900 approached £21,000,000 sterling, as against £9,000,000 in 1893. They consisted of natural products, manufactured and semi-manufactured articles. The natural products exported were chiefly coal and copper, nearly 80 per cent. of the whole. The export of manufactured and semi-manufactured articles was close upon £13,000,000 sterling, of which silk and cotton goods represented three-fourths of the whole. It may be stated that the lacquered, porcelain, and earthen wares, which bulk so largely in our eyes as products of Japan, are less than 2 per cent. of the total exports of the country.

IMPORTS.—The imports in 1900 amounted to close upon £29,000,000 sterling. The chief import was cotton goods, about 8 millions; machinery, rails, and other iron and steel, about 3 millions; sugar and food stuffs, about 4 millions; petroleum, about 1½ millions; miscellaneous, about 12½ millions. The total foreign trade has much more than doubled in seven years. By far the largest proportion, over 30 per cent., or nearly one-third of the whole, is carried on with Great Britain, her colonies and dependencies; the United States comes next, with 20 per cent.; China, with 17 per cent.; France, 8 per cent.; Russia, only 1½ per cent.; and the rest, being nearly a quarter of the whole, is shared by Korea, Italy, Austria, Belguim, Holland, Switzerland, and Siam. Not only has foreign trade so increased, but the rates of foreign exchange have moved greatly and steadily in favour of Japan.

Shipping.—The shipping trade of Japan is increasing by leaps and bounds. The steam vessels entered from foreign countries were, in 1901, nearly 11,000,000 tons, being an increase of more than six times the tonnage in ten years, and of nearly twenty times in twenty years. Of the countries to which this shipping belongs Great Britain comes first, with 40 per cent.; Japan herself owns almost as much, or 38 per cent.; Germany comes third, with 12 per cent.; United States, France, Russia, Austria, Norway, China, and other countries contribute together only 10 per cent. There is also a large trade done by sailing vessels, of which more than a third—by far the greatest part belonging to any country—is in the hands of the Japanese themselves.

In 1900 the Japanese possessed

1,321 steamers, with a gross tonnage of		543,258 tons.
3,850 sailing vessels	,, ,,	320,572 ,,
18,796 junks	,, ,,	2,785,114 ,,
Total 23,967 ships.		Total 3,648,944 ,,

Prior to the revolution in 1868, the entire shipping trade was practically carried on by junks, but every year since has witnessed a steady growth in steamers and sailing vessels, whilst the junk trade has pretty well held its own, and remains nearly as large as ever it was.

Since 1896 the Government has greatly encouraged the building of ships by bounties, and has subsidised Japanese vessels for the conveyance of passengers and goods to and from foreign countries. The Nippon Yusen Kwaisha (Japan Mail Steamship Company) is now the greatest navigation company in Japan, with a large fleet of splendid, up-to-date steamers, conducting regular and frequent services with Europe by the Suez Canal, with America, British India, and Australia.

Japan has also made a most hopeful beginning in building its own ships. One company alone—the Mitsu Bishi, of Nagasaki—employs over 5,000 hands. In 1901 it turned out over 16,000 tons, and had other 22,000 tons in hand.

Navy.—The questions affecting the Navy of Japan are so inseparably connected with its finance that any paper dealing with the finances of Japan must make reference to its Navy. The recent treaty of alliance between Britain and Japan provides that if Japan be attacked by one Naval Power only she shall be left to defend herself, which she is believed to be quite competent to do; but that if attacked by more than one Power, then the British Navy shall come to her support. Japan has already shown that she can take care of herself in a naval contest with China. The other Naval Powers that she has, for the present, to consider as possible enemies are those of Russia and France. The strength of a Navy may be roughly expressed by its displacement tonnage. The total displacement of Japan's present Navy is 259,593 tons.

Russia's Eastern Squadron is		157,000 tons.
France's	,, ,,	57,000 ,,
	Total	214,000 ,,

From each of these Navies deduction must be made for old and partially obsolete ships, but there is no doubt that the effective fighting tonnage capacity of the Japanese Navy is more than a match for the combined Eastern Squadrons of Russia and France. These Powers, however, are increasing their Naval force in the Far East, and in five years they will probably have 350,000 tons of Naval Shipping. Japanese statesmen are, consequently alive to the necessity of increasing the Navy of Japan by ships of 120,000 tons within the next six years. How to finance this increase is a question now agitating the rival political parties in Japan. The key of the situation is, fortunately, in the hands of our distinguished honorary member, the Marquis Ito, who may be trusted to use it for the welfare of his country.

Army.—The Army of Japan, on a war footing, is nearly equal in numbers to that of the United Kingdom, but not to be compared with the immense armies of the other great European nations. The Army of China has almost double the numbers, but the recent conflict between it and Japan has proved the latter to be much superior. The financial cost of that war has been met by the large indemnity paid to her by China.

It should also be stated that there are a Staff College, Military Academy, Cadet School, Military School, Gunnery and Engineering School, Cavalry School, a Gunnery School for Light Artillery, and a Gunnery School for Garrison Artillery; also that all the firearms, ordnance, and ammunition used in the Imperial Army are manufactured at the arsenals of Tokio and Osaka. Even the rifle now used is one of the latest form of repeating rifles, and was invented in Japan.

Comparisons with other Countries.—It may be instructive to consider the place which Japan now holds in relation to other principal countries of the world, such as the United Kingdom, the United States, Russia, France, and Germany. In relation to the United Kingdom, some points of resemblance between it and Japan may be here remarked. (1st) Japan consists of a group of islands lying to the East of the Continent of Asia, as the United Kingdom consists of a group lying to the west of the Continent of Europe. (2nd) Both groups extend from north to south. (3rd) The main islands of the Japan group are about the same length as the United Kingdom, viz., about 700 miles. (4th) Both groups have a similar population—Japan 44,000,000 and the United Kingdom 42,000,000. (5th) Both groups have a similar area—Japan 147,000 and the United Kingdom 120,000 (English) square miles. (6th) Both groups are washed, and and their climates modified, by important ocean currents—

the British Isles by the Gulf Stream and Japan by the Japan current. The resemblance ceases when we contrast the two as Empires. The one is the land of the rising sun, the other that on which the sun never sets, whilst the population of the British Empire is about 400,000,000, nearly a quarter of the population of the globe, and nearly ten times that of Japan.

The revenue of the United Kingdom is more than four times that of Japan, but the foreign trade is seventeen times and the National Debt twelve times greater. The marked contrast between the National Debts of the United Kingdom and Japan is that the former has been raised almost entirely for carrying on the wars in which this country has been engaged during the last 200 years, whilst that of Japan has been chiefly for public works, industrial enterprises, and adjustments. In the United States the population is, roughly, twice the number in Japan, its size is twenty-three times as large, its revenue four times as great, whilst the foreign trade of the United States is nine times and its National Debt seven times that of Japan. Russia covers one-seventh of the surface of the globe, is sixty times the size of Japan, but its population is less than three times greater, consequently population in Japan is twenty times thicker than in Russia. France has an area nearly 40 per cent. larger than Japan, but a population 10 per cent. less, and not growing. Its National Debt is enormous—the largest of any nation in the world—nearly double that of the United Kingdom, and twenty times that of Japan. Germany, which now aims at becoming a world Power, is about the same size as France, or 40 per cent. larger than Japan, whilst its population is one-fourth greater. A striking feature of the population of Germany is that it is growing at a much greater rate than that of the United Kingdom or Japan, and justifies, in some measure, the desire for expansion.

To sum up this comparison between Japan and the five principal nations of the earth, it may be stated that in respect of area, population, revenue, expenditure, National Debt, and foreign trade, the British Empire holds the first place of all, except National Debt, which is little more than half that of France; and that Japan holds the last place in all, except population, which is greater than that of France. With regard to foreign trade, it should, however, be stated that the foreign trade of Japan has grown during the last ten years immensely more in proportion than that of the other nations named, and that its trade with our Empire holds the first place, being about 40 per cent. of the whole. The relative position of each of the nations is shown in the following table:—

	British Empire.	Japan.	United States.	Russia.	France.	Germany.
Area	1st	6th	3rd	2nd	5th	4th
Population	1st	5th	3rd	2nd	6th	4th
Revenue and Expenditure	1st	6th	3rd	5th	2nd	4th
National Debt	2nd	6th	3rd	4th	1st	5th
Foreign Trade	1st	6th	3rd	5th	4th	2nd

Conclusion.—My warmest thanks are due to Mr. Gōji Ukita, Chancellor of the Imperial Japanese Legation (our honorary secretary), and to Mr. H. Kodama, the Financial Attaché, for their exceeding kindness in so readily furnishing me with all necessary information. In conclusion, let me call attention to an able journal, started last year in London, called "The Anglo-Japanese Gazette, well worthy of perusal by everyone interested in Japan. It is a monthly review devoted to the commercial and social interests of the British Empire and Japan, is ably edited, and contains much valuable information, including excellent articles by "Yen" and "S. O." on Japanese finance, and the industrial and economic condition of Japan.

THE PETROLEUM INDUSTRY OF JAPAN.

JAPAN is in the fortunate position of having excellent deposits of mineral oil, which enables her to supply a considerable quantity of illuminating oils required for home consumption, although the bulk of the demand is provided for by oil imported from the United States, Russia, and Sumatra, to which we shall refer later. The practical working of the Japanese petroleum deposits was not undertaken until the year 1886, in which year the Japan Oil Company was formed for developing the amaze field in Echigo. The first discovery of oil, however, is said to date back to the era of the Emperor Tenchi, A.D. 674. Several samples were offered to his Majesty, with the names of "burning water" for crude oil, and "burning earth" for asphalt. Since this time the name of "burning wind" has signified natural gas. But no trustworthy information of the first practical use can be traced beyond 1613, when a man by the name of Magara found oil in the town of Niitsu, Echigo Province, started experiments in a refinery at his own expense, and began to distil the crude oil in a small kettle of about 20 gallons capacity. This was made of cast iron, and used for burning purposes in the district.

More than two centuries later than this, men began to dig for oil, collecting it in pails. The bulk of this oil was used in its crude state for lighting purposes, and the method adopted was that of putting the oil into a bottle with a narrow neck, through which a cotton wick was passed. The first oil company organised in Japan (Tokyo) was in 1872, and considerable sums of money were invested both in producing and in refining; but the venture was not a success, and soon discontinued work, and it was not, as we have stated, until 1886 that any practical progress was made in developing the deposits. It was then that the old method of producing the oil was discarded, and expert drillers were brought over from America to sink wells in the American fashion. As, however, the majority of the wells are still put down under the old system, even as they are in Roumania, it may be interesting to briefly describe it before passing on.

On the spot where oil is supposed to exist, a square pit 7 ft. wide is dug; the walls are slightly narrowed down, and are lined inside with boards, which prevent the sides caving in. The well is sunk to 100 ft., and if a flow of oil is then encountered, it is baled out with buckets moving on a rope and pulley block. The well is covered up on the outside with a hut of leaves or boards to protect it from rain. If no oil is found at this depth, then the boring proper by Japanese method is commenced. On one shoulder of a wooden lever a rope is fastened, and on the other end is suspended the boring tool. As the well becomes deeper, bamboo rods are fastened to the chisel, which are attached to each other by means of iron hooks and rings. The strokes of the chisel are effected by the swinging of the free end of the lever by the force of one labourer at the commencement of the boring, and of two when at a greater depth. The point of support of this lever may be shifted when a greater force of blow is required. Sometimes, in order to increase the power of the stroke of the chisel, a piece of sheet iron 14 ft. long is hung on to it. The mouth of the well is strengthened by means of a thick bamboo rod, which rises up from the surface.

When the tool has to be withdrawn, it is done by the turning of a wheel, when the flexible bamboo rods are hoisted up on it. One or two labourers can turn such wheel by their own weight. For removing the broken pieces of rock, a piece of iron tubing is used, with a very primitive ball at the end.

An interesting fact connected with the development work of the Japan Oil Company, and as showing the enterprise of the Japanese, is that previous to 1890 almost all the company's wells were sunk on the sea-coast, a number of them being sunk in the sea, where a rich oil deposit was believed to exist. The result was most successful, and a number of flowing wells were obtained, producing several hundred barrels of crude oil per well per day. The depth of the sea where these wells were put down varied between 15 ft. and 20 ft. This space was filled in with stones and débris, and the derrick was placed on the top, a drive-pipe, as it is termed, being used until the rock was reached. The cost of these wells amounted altogether to about £1,400. The Japanese Government recognised the value of these oil deposits, and the industrial value of working the same, and they therefore despatched a Special Commission to the United States and Russia, consisting of the Hon. H. Naito, president Japan Oil Company; T. Mishima, vice-president of the Zaroo Company; Prof. S. Takano, a geologist; and T. Hirose, mechanical engineer. These gentlemen visited the whole of the chief oil-fields of the world, and on return to their country a new era of development and progress opened out for the oil industry of Japan.

There are altogether twenty large producing oil companies in the country, and the total output from all fields amounts to about 2,000,000 barrels per annum. The total requirements, on the authority of Prof. S. Takano, amount in value to about £2,000,000 annually, while at the present time Japan can only provide about one-third of this amount. The output, however, is increasing rapidly, and the fields, to which we may refer in more detail later, are prolific and can supply an oil of excellent quality. S. O.

We sincerely regret to announce the death of Mr. Yoshigusu Nakai, who died in Tokyo on the 8th inst. Mr. Nakai was born in 1850 at Wakayama, in the Province of Kii, a province which has supplied so many eminent men, including the late Count Mutsu, Rev. Kitabadake, General Tsuda, and the late Mr. Yoshikawa, at one time President of the N.Y.K. Mr. Nakai was educated at the famous institute of the late Mr. Fukusawa, joining the staff of the Yokohama Specie Bank, Limited, in 1880, when it was opened for business, and had the control of the foreign exchange department. In 1890 he came to London as manager of the branch office, which position he continued to hold even after he was elected director in 1899. It is not too much to say that, by his untiring energy and keen discernment, he largely contributed, during the last twenty years, to the development of Japanese banking business in London. In recognition of his services during the war with China, and in the negotiations for the issue of the loan in this market in 1899, the Emperor of Japan bestowed on him the Order of the Rising Sun (2nd class). In 1901 he returned home on leave, and soon afterwards was seized by the illness from which he never recovered.

THE OSAKA EXHIBITION.

(What Mr. Barrett, Commissioner-General of the St. Louis World's Fair, thinks of its prospects.)

Mr. John Barrett, ex-United States Minister to Siam, and whose name recently was prominently mentioned in connection with the appointment of a United States Minister to Japan, in succession to the late Mr. A. E. Buck, is in London for a few days. He arrived here after visiting the Far East in the *rôle* of Commissioner-General to Asia, Australia, and the Philippines for the great World's Fair which is to be held in St. Louis, U.S.A., in 1904.

In the course of a conversation with a representative of "The Anglo-Japanese Gazette," Mr. Barrett said: "While

HON. JOHN BARRETT.

in Japan, in June last, I visited the Exhibition grounds at Osaka, and I was much surprised to note the extent of the undertaking, and it looked to me as if it was going to be a great success in every respect; and although it was not to be an international exhibition, it would still be large enough to be interesting for Americans and Europeans to visit, and see the arts, industries, and manufactures of Japan. It will be a distinct mark in the progress Japan is making as a commercial and industrial nation. Osaka is the most centrally located place for such an Exhibition, and the management is in the hands of

very competent men, who are determined to make the undertaking a great success."

Speaking of the St. Louis Exposition and the representation Japan will have at the same, Mr. Barrett said: "The Japanese Government is going to make a very elaborate exhibit at St. Louis—probably the best Japan has ever made at a foreign exhibition. The Government has decided upon an appropriation of approximately 800,000 yen, or £80,000, and has appointed a Commissioner-General, who has recently visited St. Louis to make the necessary arrangements. Japan will make a very comprehensive exhibit.

"The Japanese Government at first did not think it could take part on a very large scale, on account of the Osaka Exhibition requiring all their attention; but when the St. Louis Exposition was postponed until 1904, they found they could take part, and it is probable that many of the best things at Osaka will be taken to St. Louis. I can say that the St. Louis Exposition is to be the greatest World's Fair that has ever been known. It will be greater than the Exhibitions of both Chicago and Paris put together. It will represent an expenditure of 30,000,000 dollars, and it will cover over 1,200 acres of ground, upon which will be erected the largest buildings that have ever been put up for exhibition purposes.

During the past year I have travelled nearly 35,000 miles in this work, and it can be said that practically all the countries of Asia are going to take part at St. Louis on a great scale. I am now in London to confer with the Secretary for India and the Secretary of the Colonies with regard to the participation of India and Australia in the St. Louis Exposition."

BRITISH INDUSTRIES.—III.

PNEUMATIC TOOLS AND THEIR PLACE IN THE WORKSHOP.

THE introduction of pneumatic power as an agent of the first importance in the saving of labour in engineering establishments, shipyards, etc., having met with such signal success in this country, together with its adoption by some of the large firms established in various parts of Japan, we have come to the conclusion that a short *resumé* of what has been done in this direction to promote the world's industries would be of interest to many of our readers.

Although some years have elapsed since compressed air was first employed in operating tools, it is only quite recently that perfected implements and adjuncts thereto have been prominently placed upon the market. Through the kindness of the Consolidated Pneumatic Tool Company, Limited, of London and Chippenham, Wilts (successors to the New Taite Howard Company and the International Pneumatic Tool Company, Limited), we are indebted for the following particulars. This company are now prepared to supply complete plants and outfits, of either the "Boyer" or "Little Giant" pattern, to meet the exigencies of any demand, however extensive it may happen to be. In support of this statement, it will not be necessary for us to do more than typify the main results achieved by giving a brief description of the

FINE ARTS BUILDING IN COURSE OF CONSTRUCTION.

more important tools and appliances offered, in order to demonstrate how varied the application of compressed air can be as a labour-saver, especially in those situations where space and portability are desiderata.

The plant consists of a steam, electric, or belt-driven air compressor, an air receiver, air service pipe, stop-cocks, and flexible hose-pipes. By these means air is compressed to a working pressure of from 80 lbs. to 100 lbs. per square inch, and stored in the receiver, from whence it can be drawn as required through the hose-pipes to endow a variety of special tools with the motive power for doing work. The compressed air liberated from the receiver traverses the passage of the hose-pipe, the free extremity of which is coupled by an attachment to the tool in use.

With regard to the tools: The "Boyer" Pneumatic Caulking and Chipping Hammer ought to claim precedence of description by reason of priority of invention as well as general utility. It consists essentially of a cylinder in which a piston is made to travel backwards and forwards, thereby delivering a succession of very rapid blows on the end of a tool-shank. The speed of striking averages about 1,800 blows per minute, and it goes without saying that the nature of the work to be done, whether it be caulking, chipping, beading, or rivetting, depends upon the style and shape of the tool-end used. The main feature of this hammer consists in its cylindrical valve which governs the distribution of compressed air, and consequently controls the movement of the piston. Many technical difficulties had to be surmounted in order to secure convenience in handling the tool and making its body as short as possible consistent with the length of stroke necessary for the piston to operate with sufficient power. How these details were triumphantly overcome has been minutely described in our contemporary, "Engineering," in February, 1898.

The "Boyer" Pneumatic Hammer is made in many sizes, that in most demand, for general workshop purposes, being the No. 2 hammer, weighing 9 lbs. Among its manifold uses, this implement, according to the terminal tools adjusted thereto, has been successfully applied to caulking boilers and tanks, fettling iron and steel castings, chipping iron and steel plates, scaling armour-plates, beading boiler tubes, and driving plug-holes in hard stone. To each and every one of these operations has it been frequently applied with the greatest satisfaction, not only in point of speedy and superior work, but by reason of its extraordinary economy in use—a remark that applies equally to all the other pneumatic tools produced by the company. All the tools made by the firm are made with interchangeable parts in standard sizes, so as to provide for perfect repairs of wear and tear at a minimum of outlay.

PNEUMATIC TOOLS IN LOCOMOTIVE WORKS, TAPPING FIRE-BOX WITH WHITELAW DRILLS.

Practical engineering work, however, soon demonstrated that the "Boyer" Pneumatic Caulking and Chipping Hammer was not powerful enough for heavy rivetting, and the company were accordingly led to design and introduce the "Boyer" Pneumatic Long-Stroke Rivetting Hammer, which has been proved to be entirely effective for rivetting without the assistance of the usual gap-frame. The working

(*Continued on page* 42.)

NOTICE.

THE ANGLO-JAPANESE GAZETTE *will be published on or about the 15th of each month. The Annual Subscription is 7s. (3½ yen), payable in advance, post free at home and abroad. Cheques, P.O.O., &c., should be made payable to "The Manager," and crossed "The Hong-Kong and Shanghai Banking Corporation."*

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GENERAL NOTES.

IT is now a year ago since the world was startled by the news of an offensive and defensive alliance with Japan having been ratified by Great Britain, and it is meet that at this time—approximately the birthday of the Alliance—"The Anglo-Japanese Gazette" should convey its greetings to our sturdy little ally. The retrospect for the year is eminently satisfactory, inasmuch as there has been nothing in the attitude of our friends in the Far East to cause this country the slightest anxiety. On the contrary, Great Britain has been able to watch with more complacency than heretofore the untiring diplomacy of Russia and other Powers, knowing that its ally is very wide awake; that it can be alert without making mischief, active without giving offence.

Greeting to Our Ally.

TUESDAY, the 11th inst., was, according to the Japanese calendar, the 2,563rd anniversary of the foundation of the Dynasty now ruling in Japan. It was kept as a holiday by the Japanese colony in London, and at a dinner at the City Carlton Club, his Excellency Vissount Hayashi, in drawing attention to the ancient dynasty, happily expressed the hope that the alliance with Great Britain would last as long. The first Emperor was Jimmu, who is said to have come to the throne by favour of the Moon Goddess, who presented him with a sword, a mirror, and an orb of stone, all of which are said to be still preserved.

IT is particularly gratifying to learn that, after keen competition, Messrs. Beyer, Peacock, and Co., of Gorton, Manchester, have been awarded an order by the Imperial Japanese Government for twenty-four tank locomotives. In the October issue we pointed out that in the second week of that month an important contract, running into very large amounts, for the delivery of a number of locomotive engines, was given by the Japanese Government Railways—not to British manufacturers, as it was reasonable to suppose, but to Germany. Several of the large British makers, some American, and three German firms tendered for the contract, and our information, which came from a most reliable source, was that the German tenders alone were accepted. Our comment was copied in full in many of the newspapers of this country and on the Continent, and was largely quoted by the press of the Far East. No official contradiction having been received, we felt, and justly so, that our information was unimpeachable; but recently we have learned that, while we were put in possession of the absolute facts, and the statement published in our October issue was perfectly true at the time of going to press, about the identical time of doing so the order to the German firm was rescinded—in what manner we know not—and transferred to Messrs. Dübs and Co., of Glasgow. In our article we referred to the zeal exhibited by Germany's diplomatic representative in the interests of his country's trade, and the aloofness of British diplomatists in such matters of vital importance to Great Britain's commercial interests. In this connection, notwithstanding that the "important contract running into very large amounts," did not actually go to Germany, as was in the first place arranged, it is significant that, in the recent placing of contracts by the Japanese Government, Germany was not entirely crowded out, for, as we understand, an order for eight locomotives went to the Fatherland. However, the success achieved by Messrs. Beyer, Peacock, and Co. is encouraging, inasmuch that it would seem to point to an awakening on the part of some British firms, and it is earnestly to be desired that this will be maintained, and that the Japanese Government will remain awake to the fact that British manufactured articles are superior to those of foreign make.

British Locomotives for Japan.

THE trouble which was the result of the Korean Government's action in vetoing the circulation of Japanese bank-notes is likely to be speedily settled, the Governor of Seoul having already cancelled the veto so far as he is concerned, but the general veto remains. This, however, it is expected, will also soon be withdrawn. These bank-notes are very convenient, and, being changeable at their face value, are much favoured by foreigners and

residents alike. The reason for the stoppage of the circulation of these notes by the Korean Government is difficult to realise, as it was agreed to between Japan and Korea before being put into operation.

Mr. R. Negishi, assistant-manager of the London branch of the Nippon Yusen Kaisha, has been granted six months' leave of absence, and will sail on an early date for Japan. Mr. Yoshii will perform the duties of assistant-manager while Mr. Negishi is away.

Manufacturers of electrical plant in the United States are evidently keeping a keen eye on the Japanese market, for in addition to the orders already secured by America, mention of which has been made in these columns, we are informed that the Japanese Naval Department have placed a large order for special electrical instruments with a New York firm. It is also reported that Messrs. Bagnall and Hilles, electrical engineers, of Yokohama, will shortly place some large contracts in the States for plant and equipment in connection with Japanese tramways.

The International Petroleum Company of Japan have recently made some very extensive additions to their already large plant. In order to cope with the greatly-increased output which it is anticipated will result from the new wells now being sunk, thirty new machines have been erected, representing altogether some 5,000 tons of machinery.

An eminent foreign statesman once said that the British nation were possessed of the highest political wisdom, but that in international affairs it seldom reaped the full benefits thereof, as some blundering official generally managed to spoil matters by gross want of tact. The subjoined telegram from the able correspondent at Tokyo of the "Times," dated January 15th, and published in that journal on February 10th, supplies the latest instance of the justice of the old diplomatist's observation:—

> The presentation of the Garter to the Shah creates a feeling of surprise and pique in Japan, where, although the sentiment of natural dignity restrains public utterances on such a subject, the leading journal does not hesitate to allege that, when the conferment of such a distinction is extended beyond the ranks of Christian potentates, England's ally deserves prior consideration. The disposition of the Japanese people prompts an attitude of proud reticence in such a case, consequently the outspoken language of the principal newspaper in Japan is significant.

Of course, it may be remarked that, the King being the fountain of honour, all criticism of the bestowal or non-bestowal of distinctions conferred by the Crown would appear to be excluded; but it is well known that such honours are usually bestowed, especially in the case of potentates and other high recipients, at the suggestion, or by the advice, of the officials responsible for the policy of the nation.

Those officials, whoever they may be in this particular case, have given a fresh proof of their lack of appreciation of the tact required in international intercourse, especially with a nation so hypersensitive as our Japanese allies.

The whole subject is of such a nature that one would desire to maintain silence on it; but the leading Tokyo journal quoted by the "Times" correspondent having given vent to the wounded feelings of the Japanese nation, it becomes impossible to let the matter pass without assuring our allies that all their friends in this country sympathise with their view, and deeply regret the official blunder that has been committed, which we feel sure will ere long be rectified.

An idea obtains in some quarters that the Order of the Garter is never conferred upon a potentate unless he has visited this country; but such argument can have no foundation in fact, for surely the young King of Spain, who recently was invested with the Order of the Garter by the Duke of Connaught, acting for the King, has never set foot in the British Isles, and doubtless other precedents could be quoted of a similar kind.

With reference to the paragraph which appeared in our last issue anent the proposal for a Japanese Exhibition in London, and which is being eagerly discussed in the Japanese press, it is now generally agreed (as we previously outlined) that the earliest date on which such an exhibition could successfully be opened in this country would be during the year 1905. The postponement of the St. Louis Exposition from this year to 1904 renders it impossible for Japan to be adequately represented at an exhibition in more than one continent in that year, and we feel confident that such an undertaking to be opened in London in 1905 would be sure of splendid success—that is, of course, if properly managed.

His Excellency Viscount Hayashi—the most energetic Minister accredited to the Court of St. James—accompanied by Mr. Abé, visited the Naval and Military Exhibition at Manchester on February 4th, and was received by the Right Honourable the Lord Mayor.

General Okura, of the Imperial Japanese Army, has been staying at the Alexander Hotel. His visit to this country was for the purpose of studying the Veterinary Department of the British Army, and reporting his impressions to the Japanese War Department. The Japanese are determined to do all in their power to improve the breed and general utility of horses for army purposes, as those at present bred in Japan have been steadily degentrating for centuries past.

Mr. Masataro Sawayanagi, Director of General Education Affairs Bureau of Japan, who was sent by the Japanese Government as one of the delegates to the meeting of the Oriental Society held at Hamburg last September, left London on the 10th inst. on his way to Japan.

Mr. Robert A. McLean, F.R.G.S. and a Member of Council, Japan Society, who read a paper on "The Finances of Japan" before the Japan Society, at 20, Hanover Square, W., on Wednesday, February 11th, is a chartered accountant and a member of the Statistical Society. It was the occasion of the sixty-fifth ordinary meeting, the fifth of the twelfth session, and Mr. Arthur Diósy, F.R.G.S., etc., Chairman of Council, presided.

In his opening remarks the chairman said that the subject of Japanese finance was not, perhaps, so interesting as Japanese art or the manners and customs of the Japanese people. The marvellous progress of new Japan, which had been so often discussed and applauded at meetings of that Society, really turned on the question of ways and means—a question which Mr. McLean had studied for many years past, and one on which he was well qualified to speak.

In the discussion which followed the reading of Mr. McLean's admirable paper, Mr. Longford, formerly H.B.M. Consul at Nagasaki, said that he thought Japan could borrow money at 3 per cent. if she so desired. In the railways owned by the Government, Japan had a most valuable property, and it also had very valuable assets in tobacco, camphor, and opium. He thought it was a great pity that some English capital which was looking for profitable investment should not be diverted to Japan. Mr. McLean, he said, had done a real service by presenting the paper to the Society. Japan was determined that the expansion of the navy should become a fact, but the question of how the expense should be met was one of some concern. Any general reduction in the expenses of the Administration would be a misfortune, as it must, in a measure, reflect upon the army.

Mr. Longford went on to say that he thought England should allow Japan to have loans on more favourable terms; but the Japanese, he feared, would not accept any such terms, as they were proud, and would not like to accept favours in this way. When the Japan Society was founded, Mr. Longford feared it would have but a short life, but he soon saw that he was mistaken in this impression. He knew it to be a fact that the proceedings of the Society were watched with much interest by the authorities at Tokyo.

Others taking part in the discussion were Mr. Paul Bevan, M.A., F.S.A., Member of Council J.S., Mr. S. Kato, Mr. Wilson Crewdson, M.A., F.S.A., Member of Council J.S., and Mr. P. F. Larkin, M.J.S. Mr. C. Kadono, Member of Council J.S., in proposing a vote of thanks to Mr. McLean for his "interesting and lucid paper," drew attention to the fact that it was exactly one year since, at a meeting of the Society, Viscount

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even with beginners at baking when Brown and Polson's "Paisley Flour" is used. Because of its sure raising qualities "Paisley Flour" succeeds where yeast and baking powders may have failed. For bread and cakes mix one part with six to eight parts of ordinary flour, for pastry one part with eight to twelve of ordinary flour. The dough will rise quickly, and the cakes and pastry will be a success—light, wholesome, and so easy of digestion.

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Hayashi, the Japanese Minister, announced to the members that an alliance had been entered into between Great Britain and Japan, and this announcement was confirmed in the morning papers the following day. Mr. Kadono's motion was seconded by Mr. C. L. Brownell, M.J.S., and was carried with enthusiasm.

Mr. Dióśy expressed his admiration for the wonderfully concise nature of Mr. McLean's paper, and said that a man would be dull indeed if he were not astonished at the wonderful developments in Japan during the last twenty-five years. Its leaps and bounds, he said, were regular kangaroo leaps, and he considered the results—taking only the mercantile shipping of Japan—as phenomenal.

Dr. Inonge, a well-known scholar in Japan, and one who has made a special study of Buddhism, is now in London for a brief stay. Among many other things, he has investigated Japanese superstitions, and is strongly opposed to the belief in ghosts which is prevalent in Japan, and for his researches into, and views on, this nocturnal subject, he is styled "Yokwai-Hakase," or ghost doctor. One great superstition that the Japanese have is associated with house-building, and a good story about the doctor is told in connection therewith. It appears when a man builds a house in Japan, he sees to it that the gateway leading thereto does not face on the north-east, the belief being that any house having a gate so erected is doomed to disaster, or that misfortune will overtake the occupants. Dr. Inonge had occasion to build a house, and, to show his contempt for superstition generally, and this one in particular, he was careful to have the gateway placed on the north-east side. Scarcely, however, had he taken possession of his new residence than it was totally destroyed by fire.

The Mikado, according to the Tokyo correspondent of the "Times," proposes to confer the second class of the Order of the Rising Sun on Prof. Holland and Prof. Westlake because of their eminent services in the cause of peace and Japanese progress in connection with the Kowshing incident, when their luminous exposition of international law exercised a pacific effect on British public opinion; also because of their liberal attitude on the questions of consular jurisdiction and treaty revision.

The Japan Society's meeting announced for March 11th will not take place, in consequence of the illness of Mr. F. Yeats Edwards, Member of Council Japan Society, who was to have read a paper on "Some Features of Japanese Architecture."

The Right Hon. the Lord Mayor of London, Sir Marcus Samuel, and the Lady Mayoress will hold a reception at the Mansion House on the evening of Thursday, April 2nd, to the members of the Japan Society, London, "to meet their President, his Excellency the Japanese Minister, and the Viscountess Hayashi."

The Japanese Government has placed an order with a New York firm for a number of recording instruments for use in connection with Marconi's system of wireless telegraphy.

JAPANESE FINANCE.

Budget Proposals.

As I have already had occasion to point out in these columns, the adoption by the Japanese Government of the Russian plan of issuing its Budget on the dual system was a highly commendable move. True, there are some who would asseverate that such a plan is not only wholly un-English, but simply a ready means merely to present a good front to adverse circumstances—in other words, a juggling with the nation's finances. However, Japan up to the present has merely taken the Russian plan, not the Russian methods. According to the Budget for the fiscal year 1903-4, the total revenue from all sources is put down at 253,303,537 yen, and expenditure at 240,348,971 yen, leaving a surplus of 12,754,566 yen, which it is intended to devote to the construction of railways. Comparing these figures with those for 1902-3, an increase of 6,465,611 yen is shown in the ordinary, and a decrease of 35,595,038 in the extraordinary income; while on the side of expenditure, an increase of 3,367,637 yen is given for ordinary, and a decrease of 31,928,931 yen on extraordinary outgoings, as will be seen from the table given below:—

	Ordinary Revenue.	Ordinary Expenditure.	Extraordinary Revenue.	Extraordinary Expenditure.
Settled A/cs.	Yen.	Yen.	Yen.	Yen.
1896-7	124,222,964	107,695,127	102,167,159	115,983,717
1897-8	132,869,336	119,072,144	87,184,792	100,685,424
1898-9	177,321,536	137,590,418	76,925,996	116,575,120
Budget.				
1899-1900	193,730,180	152,570,592	60,819,638	102,241,836
1900-1901	207,540,670	164,675,109	69,956,333	111,212,324
1901-1902	201,752,362	160,363,583	65,393,465	106,493,241
1902-1903	226,114,613	177,596,966	58,318,351	104,156,229
1903-1904	232,580,224	172,600,942	20,723,313	67,858,029

It will be seen that the item of extraordinary revenue, which has been largely made up by the indemnity money received from China, is gradually being narrowed down.

Taking the main channels from which revenue is derived, the tax on alcoholic drinks (saké) accounts for 66,535,404 yen; land tax, 46,996,212 yen; telegraph and postal service and stamps is expected to contribute 39,559,826 yen; Customs dues, 16,570,655 yen; tobacco monopoly, 12,606,012 yen; State railways, 8,785,089 yen; income tax, 7,412,801 yen; sugar, 7,184,637 yen; and business tax, 6,792,818 yen. The chief item under the head of extraordinary revenue is 7,100,000 yen, which represents the amounts realised by the issue of bonds; other items include, of course, a proportion of the Chinese indemnity, and small proceeds from sale of Government property. In the ordinary revenue, it is explained that there is an estimated total increase of 7,974,762 yen to be derived from an increase in the yield of the land, income, business, saké, soy, and sugar taxes, posts and telegraphs, and the tobacco monopoly; while a decrease amounting to 1,509,151 yen is anticipated from Customs, stamps, and some other sources, the net increase being thus reduced to 6,465,611 yen.

On the side of ordinary expenditure, we find that the requirements of the Finance Department will amount to 62,049,929 yen; War Office, 38,805,670 yen; Naval Bureau, 23,087,299 yen; Communications Department, 21,702,491 yen; Home Office, 10,841,143 yen; Judicial

Department, 10,821,449 yen; and Educational Department, 5,292,961 yen; miscellaneous, 16,048,849 yen. In addition to amounts already given, the Home Department and the Department of Communications will require to draw on the extraordinary account to the extent of 11,046,943 yen and 15,060,376 yen respectively—in each case a decrease as compared with the previous year. The Finance Department, with 15,738,912 yen, the War Office, with 5,123,777 yen, and Naval Bureau, with 4,838,172 yen, however, show an increase in each case. Some of the heads under which increased outlay is called for include the enforcement of measures for the prevention of tuberculosis among cattle, interest paid on deposits and in pensions, expenditure due to the extension of armaments, completion of the new (Seventh) Army Division, new warships and the establishment of a torpedo station at Ominato, increase in the salaries of judges, new schools and extending the curriculum, expenditure in forestry and mining, and the improvement of the postal and telegraph services.

The very marked increase under the head of expenditure, which has been so noticeable a feature in the Budgets of recent years, should not be taken as any indication that those in authority are not keeping as watchful an eye on the country's national resources as might be wished. True, this item has advanced from 81,504,004 yen (settled accounts) in 1888-9 to 281,753,195 yen (Budget) 1902-3—an increase of 200,249,191 yen; and the Government have to face a possible reduction in the land tax of ½ per cent., unless they decide on a re-valuation of land values. But, taking a broader view of the position, it must be remembered that Japan has now entered upon a new phase of economic life, and during the last few years she has made exceptionally rapid progress in the commercial field. Further, as a result of the very admirable system which has been adopted for the unification of financial administration, it is anticipated that a considerable saving will be effected during the coming fiscal year. We may safely rely on the business acumen of the Japanese people not only to maintain the great achievements of the past, but in their ability to bear the responsibilities of their position among the Powers.

YEN.

Total value of Specie and Bullion exported from and imported into Japan during December, 1902, with comparison to corresponding period of the previous year.

	December.		Twelve months ending December.	
	1902.	1901.	1902.	1991.
EXPORTS.	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Gold coin & gold bullion	368	160,000	453,312	11,477,852
Silver coin & silver bullion	494,790	123,320	1,575,277	2,571,247
Total	495,158	283,320	2,028,589	14,049,099
IMPORTS.				
Gold coin & gold bullion	5,954,058	473,808	30,183,668	10,651,210
Silver coin & silver bullion	212,595	40,783	1.977,691	309,540
Total	6,166,653	514,591	32,161,359	10,960,750
Excess of exports...	...	...	...	3,088,349
,, imports...	5,671,495	231,271	30,132,770	...

The Foreign Trade of Taiwan (Formosa) for December, 1902, with comparison to corresponding period of the previous year.

	December.		12 months ending December.	
	1902.	1901.	1902.	1901.
	Yen.	*Yen.*	*Yen.*	*Yen.*
Exports	895,226	417,292	13,814,769	8,298,800
Imports	907,638	929,246	1C,075,081	12,809,795
Total	1,802,864	1,346,538	23,889,850	21,108,595
Excess of exports ...	...	...	3,739,688	...
,, ,, imports...	12,412	511,954	...	4,510,995
Exports, specie and bullion	372,197	42,464	949,404	1,505,290
Imports, specie and bullion	44,593	33,319	4,430,821	933,567
Excess of exports ...	327,604	9,145	...	571,723
Excess of imports ...	...	...	3,481,417	...

SOME JAPANESE RAILWAY STATISTICS FOR 1901-1902.

ACCORDING to the official report on the railways of Japan just issued by the Japanese Government, it is stated that at the end of the fiscal year 1901-1902 the total railway mileage—including both State and private lines—was 5,854 miles, and the total capital amounted to 460,768,544 yen. The mileage of the Government railways was 2,043 miles, with a capital of 186,603,544 yen, while the private railway mileage was 3,810 miles, with a capital of 274,165,000 yen. There were at the same period 4,026 miles of the railways opened to traffic. The rolling stock at this time included 1,350 engines, 4,529 passenger cars, and 19,820 waggons. Compared with the corresponding figures of the previous year, the engines showed an increase of 71, passenger cars of 113, and waggons of 1,483. The total number of passengers carried was 111,211,208, and the quantity of goods carried 14,409,752 tons. Compared with the corresponding figures of the year 1900-1901, there was a decrease in the number of passengers of 2,499,663, or 2·2 per cent., but an increase of 8,232 tons, or 1 per cent., in the quantity of goods carried. The traffic receipts amounted to 48,404,547 yen, and the expenses to 23,439,177 yen, as compared with 44,934,394 yen and 20,723,264 yen respectively in the year 1900-01. In connection with these particulars, it is gratifying to recall the prominent part which this country took in constructing the pioneer lines in Japan, one connecting the former capital, Kyoto, with its seaport, Kobé, and another linking up Tokyo, the present-day capital, and Yokohama. These two lines, which formed part of a project to connect the capitals, were

completed in 1872, were constructed and equipped throughout by British engineers and British plant. Kiushu and Hokkaido were the next centres to receive attention, in 1881; but this time German and American engineers claimed the field—the Germans constructing and equipping the Kiushu railway, and the Americans the Hokkaido line, each procuring all their supplies from their respective countries. From this it will be seen that three standards were introduced into Japan, Great Britain having the advantage of being first in the field, and of being established in the island, which, both from its size and from its including nearly all the important commercial cities of the Empire, would require much the greatest mileage.

No marked change occurred in the conditions of Japanese railways until 1897. The standards of each nation continued to predominate. But in that year 125 locomotives were ordered from the United States for the Imperial and Nippon Railways, the most important of the private railway companies. Since that time the importation of English locomotives has never greatly exceeded that of American. Of the private lines, the Kiushu and the San-yo Railways are next in importance to the Nippon, and these were the first, after the Hokkaido, to order locomotives from the United States. The reasons most frequently given for preferring American engines are the lower price and shorter time required for filling orders. On the Kiushu lines a large number of German locomotives were supplied at first, but the use of the German engine in Japan practically stopped there, and the small volume of business they still hold is said to be due to the employment of German engineers at the Government iron foundry.

From 1897 to 1901, the Government railways of Japan permitted tenders for building their locomotives *only from British makers, because they were persuaded of the superior qualities of the English engines;* but in 1901 the Schenectady Works of the American Locomotive Company were added to the list of approved makers.

BOOKS RECEIVED.

"From the Eastern Sea." By Yone Noguchi. (*151, Brixton Road.*) 2s.

"The Ideals of the East." By Kakasu Okakura. (*John Murray, Albemarle Street.*) 5s. net.

Whitaker's Almanack, 1903. Whitaker's Peerage, 1903. (*J. Whitaker and Sons, 12, Warwick Lane, E.C.*)

"Things Japanese." By Prof. Basil Hall Chamberlain. (*London: John Murray.* 10s. 6d. net.)

Willing's Press Guide. (*Willings, Ltd.* 1s.)

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A LAND OF LEGENDS AND DREAMS.*

No writer has entered into the spirit of the true life of Japan more thoroughly than Lafcadio Hearn, at one time Lecturer on English Literature in the Imperial University of Tokyo, Japan. Whether he is giving us a translation of one of the thousands of quaint legends with which Japanese life is surrounded, or whether he is giving us his own thoughts on Japanese ideas and customs, it is always from the Japanese point of view—a point of view so absolutely different to that of the West. It is, in fact, a modern mind viewing, almost might I go so far as to say imbued with, those peculiar characteristics which dominate Japanese life. "A single dewdrop hangs quivering" to the bamboo lattice of his study window, and from that simple centre his mind views the microcosm of human personality, and stretches out to the ultimate destiny of the macrocosm. This is the mental attitude which Lafcadio Hearn appears in all through these legends and fragments of thought. I wish I had space to reproduce some of his meditations on personality, on human destiny, many of which almost touch the sublime in their concentrated truths and what Tennyson would have described as their "definite indefiniteness. "Mind and Man, and Space and Time, all of them are shadows. The shadows come and go; the Shadow-Maker shapes for ever."

A touch of realism is given to this collection of quaint stories and mental musings in "A Woman's Diary." "The thoughts and feelings, joys and sorrows, of a simple woman of the people, just as she herself recorded them in the frankest possible way," are set down as near to the original as it is possible to do so, though the difficulties must be great, and the original sentiment must lose much of its beauty. Still, it is a remarkable document, and in nothing more remarkable than that it should have been written by a poor woman belonging to what we should term the great uneducated class of the country. Yet "even among the poorest classes poems are still composed upon all occasions of joy or pain," and "A Woman's Diary" is a poem of a very human kind.

In conclusion, I may just remark that one is struck with the great similarity of some of Lafcadio Hearn's sketches to many of the short stories contained in Bart Kennedy's work, "Darab's Wine-Cup." The phrases, although apparently massed with something like recklessness, yet bear evidence of fastidious care on the part of the author in the choice of each word, and imparting to it, as it were, a glowing personality. It is now some five years since I read Mr. Kennedy's book, but even as I write there comes back to the mind, like the notes of some beautiful opera, the picture of "Antonio Ferras" listening to the "Gloria" being chanted in the cathedral at Seville.

Those who delight in reveries and in meditations on the things that do not appear on the surface of our superficial existence of everyday life, or whose interest is caught by quaint narratives, or who wish to enjoy a temporary residence in a world unknown to the busy, practical Western mind, should read Lafcadio Hearn's "Kotto." S. O.

* "Kotto." Being Japanese Curios, with Sundry Cobwebs. Collected by Lafcadio Hearn. Macmillan and Co.

British Industries (*Continued from page* 35).

parts of this powerful tool differ only slightly from those of the hammer already notified. When seen in operation, closing up 1-in. diameter rivets, one is struck with the expeditious way in which it can be worked.

In 1900 there were over 1,500 of these pneumatic tools in use in the United Kingdom, their convenience for all forms of work being very great, and when used in conjunction with a pneumatic holder-up, an immense saving of both time and labour can be depended upon. Figures as to the cost of using this clever contrivance show that in America, where it has been extensively employed, the saving effected amounts to from ½d. to 1d. per rivet over piecework prices for hand rivetting—depending, of course, upon the location, and averaging about ⅝d.

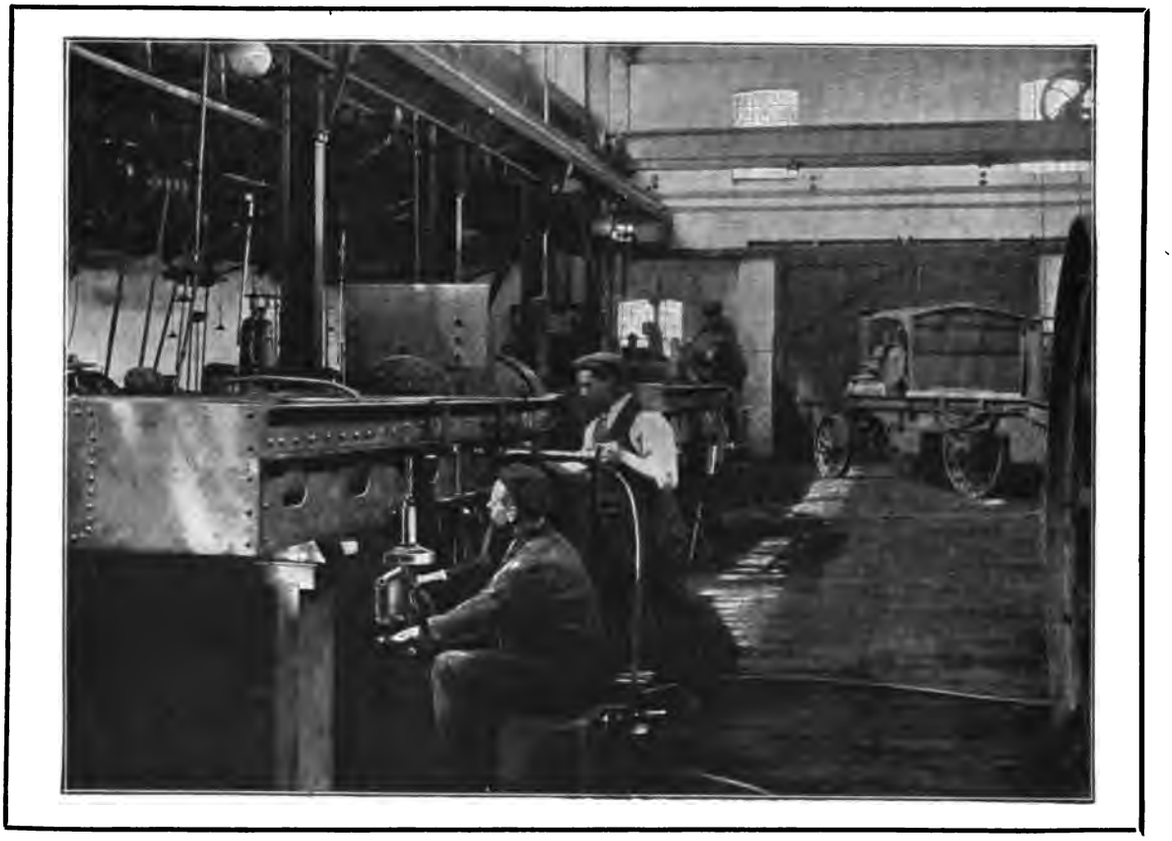
The importance of drilling, tapping, reaming, and kindred operations in bridge-work, erecting-shops, and shipbuilding yards, especially in situations where it would be inconvenient or impracticable to place the work to be done under a fixed machine, can scarcely be over-estimated by the modern engineer, so that the Pneumatic Drill ought to be cordially welcomed as an indispensable tool in every well-regulated workshop. This elaborate instrument is at the present time in universal use in all British engineering establishments of any consequence. Of these machines the company are offering several types, the two principal being the "Little Giant" and the "Boyer." In the former the motor consists of four single-acting cylinders, arranged in pairs, and each pair of pistons is connected to opposite ends of a double-crank shaft. Each piston of each pair travels in opposite directions at all parts of the stroke, thus ensuring a smooth-running machine. The mechanism of the latter is of the three-cylinder piston type, in which the cylinders are constructed to rotate round a fixed crank. The cylinder chamber holds the full pressure of the air (recommended to range from 60 lbs. to 80 lbs. per square inch), and as the cylinders rotate, the motion is imparted to a central pinion which is connected by gearing to the tool-box. Air is admitted by slightly rotating a handle at the side; this forms a throttle valve, which can be adjusted to admit any desired quantity of air. The weight of a "Little Giant" drill, capable of drilling up to 1¼ in. dia., and developing 1 horse-power, is only 19 lbs., so that it is eminently suited for being carried about a workshop for drilling holes in frames and boilers, or reaming and tapping for stay-bolts. It can be easily manipulated by a single workman, while in many collieries it is used instead of a hand ratchet for coal-boring, the tests showing five times the amount of work in favour of the pneumatic motor. As the most perfect boring machine extant, it will be readily understood that the Pneumatic Drill admits of being adapted to manifold wants in the workshop—notably by attaching

PNEUMATIC TOOLS FOR CAULKING AND RIVETTING BOILERS.

to the spindle of the drill motor a wire brush, with short or long bristles, an emery grinding wheel, or a polishing disc. It can then be employed to remove sand or scale from castings, for smoothing and polishing metal, cleaning ships' sides, and a variety of other purposes. The Pneumatic motor, moreover, has been most successfully adapted to the driving of lathe-heads, developing an enormous speed, and rendering the device peculiarly suitable to polishing and wood-turning. Both the "Little Giant" and the "Boyer" Drills are made in a variety of sizes.

For roof, girder, and bridge-work, the construction of ships, tanks, gas-holders, carriage and waggon underframes, and the like. The "Boyer" Pneumatic Riveting Machine has been found very useful. This consists of a "Boyer" hammer contained in a cylinder, and supported by a horseshoe frame. The machine is designed for closing rivets up to 1½ in. in diameter, and owing to the fact that the operation is consummated by a series of comparatively light blows, instead of by a terrific squeeze, as in the case of hydraulic power, the frame undergoes only a minimum strain, and need not, therefore, be heavy and cumbersome. Indeed, quite recently the frame has been dispensed with where its use would entail any inconvenience, while a pneumatic hand-riveting hammer has been successfully used in conjunction with a separate pneumatic holder-on. For driving rivets on the decks and shells of ships, a special form of the pneumatic rivetting machine has been devised, the working of which has been attended with happy results, both as to economy and rapidity of execution.

Another important function to which compressed air has been called into active requisition is in connection with all manner of lifts and hoists. Pneumatic hoists of the cylindrical type can be arranged either vertically or horizontally; they are rapid in action, and are generally suspended from an overhead bar or gantry, or from a crane. The forms supplied by the Consolidated Pneumatic Tool Co., Ltd., it may be noted, are fitted with a patent regulating valve, which automatically retains its load in any position, in the event of the supply of air from the hose-pipe being accidentally interrupted. The capacities of stock sizes available vary from 7 cwts. to 40 cwts. Pneumatic power has also been applied to operate chain hoists, which possess the advantage of taking up very little head-room; while a very useful modification is the pneumatic jack adapted to the lifting of railway carriages, waggons, etc., with absolute safety.



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DEATH OF H.I.H. AKIHITO PRINCE OF KOMATSU.

By the death of H.I.H. Akihito Prince of Komatsu, who died at Tokyo on the 18th inst., of hæmorrhage of the brain, Japan has indeed to mourn the loss of one of her most enlightened sons. Long before anyone else in Japan had realised the benefits and the powers and worth of Western ideas, this scion of the Imperial House had the prescience to appreciate the many advantages which would accrue to his country by close relations and more definite knowledge of European customs and habits.

H.I.H AKIHITO PRINCE OF KOMATSU, G.C.B.
Born 1856—Died 1903.

In some respects the career of Prince Komatsu was what may be termed a romantic one. The cloister being regarded as the only refuge for one of such exalted rank, he commenced life as a Buddhist priest, but we find that before reaching the age of twenty-five he had discarded the priestly robes for those of the Diplomatic Service, and obtained leave, after much opposition, to visit Europe. In 1872 he came to England, and his presentation to Queen Victoria was the first occasion on which any member of the Japanese Royal Family had ever shook hands with a Western potentate. In 1887 Prince Komatsu again visited this country as representative of H.I.M. the Emperor of Japan at Queen Victoria's Jubilee. He was also appointed special Ambassador in connection with the recent Coronation ceremonies.

Prince Komatsu was not only a great traveller, but he was a soldier and a man of letters, and the prime mover in many benevolent and charitable institutions, to which he devoted a great deal of his time.

EXPORTS FROM THE UNITED KINGDOM TO JAPAN—JANUARY.

Description.	Value.		Quantities.	
	Jany., 1901.	Jany., 1902	Jany., 1901.	Jany., 1902.
	£	£	Tons	Tons.
*Iron—Bar	—	4,581	—	574
Do. Wrought and Manufactured	—	661	—	23
Lead—Pig and Manufactured	1,573	3,344	115	209
Machinery (Textile)	11,004	5,769	—	—
			lbs.	lbs
Cotton yarn—Grey twist ...	14,254	12,556	315,100	283,600
Do. do. Bleached and dyed	—	92	—	1,200
			Yards.	Yards.
Do. Piece goods — Unbleached	23,702	8,007	2,939,100	862,300
Do. do. Bleached ...	14 884	20 090	1,489,700	1,924.400
Do. do. Printed ..	13,35	21 035	1,113,600	1,573 6 0
Do. do. Dyed or manufactured	34,327	34,426	1,447,200	1,414 900
Woollen piece goods	8,008	20,701	63,300	185 400
Worsted piece goods	10,765	26,991	290,900	490,800

* The information relating to the exports of iron formerly shown under one head will in the future be classified separately. The same remarks apply to steel manufactures.

EXPORTS FROM THE UNITED STATES TO JAPAN.—OCTOBER.

	October.		Ten months ending October.	
	1901.	1902.	1901.	1902.
	£	£	£	£
Cycles and parts	1,489	7,124	39,339	71,564
Cars—Passenger, freight, etc.	393	13,450	1,220	17,578
Clocks, watches	2,795	2,687	30,160	26,169
Cotton, unmanufactured	79,772	140,672	950,432	1,324,292
Do., manufactured ...	927	130	9,401	3,507
Hides, skins, etc. ...	—	10	1,374	2,503
Scientific instruments and apparatus	10,129	12,198	76,379	46,286
Steel	—	—	105,349	439
Hardware	1,752	2 803	18,069	20,480
Machinery, electrical ...	5,726	33,133	37,538	64,355
Do., locomotives	—	—	54,997	22,230
Machines, sewing ...	82	691	4,657	3,906
Paper, printing, etc. ...	1,664	4,567	31,654	32,371
Leather	5,193	2,501	34,144	38,585
Oils, tar, rosin, and naval stores	127,271	80,021	852,728	746,211

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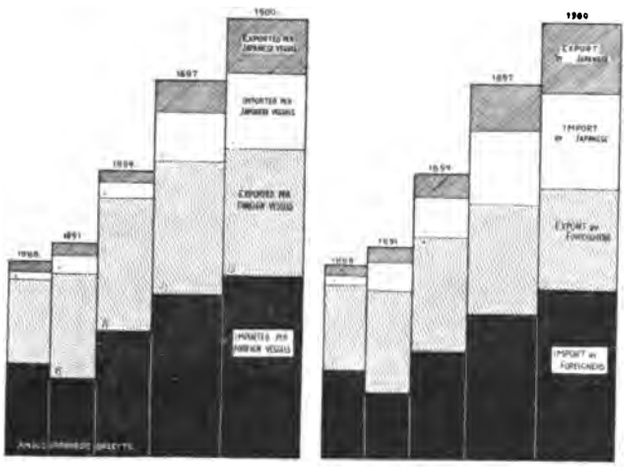
JAPANESE TRADE WITH CHINA.

With a view to encouraging trade between Japan and China, the Japanese Government have adopted the excellent plan of sending intelligent young men to be attached to the various Consulates throughout China, for the set purpose of studying the whole import business of the place, as well as the export of Chinese goods to Japan. They are at liberty either to continue their studies, if they like, or start in business for themselves when the term of instruction is up, which is generally fixed for a period of three years. The Government supply the Consuls with samples of such goods as the respective Consuls may think likely to sell well. These samples are distributed amongst the Japanese merchants established in the Chinese trading centres, and displayed to the best advantage. Buyers are invited to come and look at the collection, the Japanese Consul superintending the whole operation. The system was first tried in New Tchwang, Manchuria, and is now adopted in other Chinese centres.

GROWTH OF JAPANESE TRADE, 1888-1900.

SHIPPING. COMMERCE.



THE BANK OF JAPAN.

1882-1902.

In the course of an address, delivered before the shareholders of the Bank of Japan, on the occasion of its twentieth anniversary, the Governor (Mr. Yamamoto) took an opportunity of referring to the condition of Japan previous to the bank's establishment. This he described as disorderly, both in a financial and economical sense. At that time (1882) there were a great number of National Banks, each of which issued notes on the security of Government bonds; the paper money issued by the Government was also excessively inflated in consequence of the Satsuma rebellion; and the result was that the circulation of inconvertible notes amounted to 170,000,000 yen, and the premium on silver for a time exceeding 80 per cent. As financial organs, National Banks were of considerable use in their respective spheres, but their activity was more local than national, so that they could not be depended upon to effect monetary circulation between the various parts of the country and to regulate the currency according to the need of the commercial world. The Government, therefore, perceived the necessity of establishing a powerful bank, with a view to adjusting the currency and facilitating monetary circulation throughout the country. The Act under which the Bank of Japan was incorporated was promulgated in June, 1882. The objects which the bank was expected to accomplish were minutely explained by the Minister of Finance—which post was at that time held by Count Matsukata—the most important of which were:—(*a*) To adjust the paper currency, by establishing a system of convertible notes; (*b*) to discount foreign bills, with a view to attracting the specie from abroad; (*c*) to transact some parts of the business of the Treasury; (*d*) to facilitate monetary circulation between the various parts of the country; (*e*) to supply funds to the commercial world. In order to conform with varying circumstances it has been found necessary to somewhat modify the business policy of the bank. Nevertheless, the directors have always kept in view its functions as the central financial institution of the State, and their efforts have been invariably directed toward fulfilling the duties mentioned at the outset. Twenty years is a short space of time when compared with the records of many of the principal banking institu-

	1888.	1891.	1894.	1897.	1900.
	Yen.	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Value of Exports per Japanese Vessels ..	4,720,326	7,126,681	6,054,739	24,063,350	63,699,108
Do. do. per Foreign do. ...	58,935,287	70,260,479	104,746,899	135,245,765	134,116,262
Do. Imports per Japanese do. ...	4,256,282	7,661,136	10,775,758	44,737,198	84,686,026
Do. do. per Foreign do. ...	59,926,705	54,573,350	98,501,273	166,306,812	199,697,040
Do. Goods Exported by Native Houses ...	7,081,324	8,770,765	20,450,979	44,374,131	73,381,634
Do. do. do. by Foreign do. ...	56,599,289	69.144,862	190,846.710	115,014,294	124,681,912
Do. do. Imported by Native do. ...	8,499,789	24,276,380	33,947,596	79,560,939	112,737,050
Do. do. do. by Foreign do. ...	53,820,247	47,692,803	82,336,454	138,879,685	173,433,883

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Summary Table Showing the Trade of Japan for December, 1902, as compared with the corresponding period in 1901.

EXPORTS.		December, 1902.	December, 1901.	Twelve Months, 1902.	Twelve Months, 1901.	Increase or Decrease (—).
		Yen	*Yen*	*Yen*	*Yen*	*Yen.*
Silk tissues, habutae	Manufactured Articles.	2,454,650	3,031,715	24,685,408	23,912,356	773,052
„ „ kaiki		323,409	288,073	2,672,888	1,315,780	1,357,108
Silk handkerchiefs		194,376	226,282	3,154,676	3,951,192	— 796,516
Cotton tissues		575,688	498,937	5,986,546	5,461,972	524,574
Carpets, hemp or cotton		53,311	52,087	653,346	631,232	22,114
Matches		662,305	538,148	8,169,966	7,392,869	777,097
Mats and mattings, Hanagoza		877,787	618,015	6,772,498	5,431,514	1,340,984
Porcelain and earthenware		188,906	195,428	2,461,086	2,491,668	— 30,582
Lacquered ware		69,937	63,313	889,078	994,654	— 105,576
Umbrellas, European		35,956	57,225	1,037,947	1,023,638	14,309
Others		1,694,062	1,413,679	19,471,299	15,986,716	3,484,583
Silk, raw	Manufactured Articles, Half Wrought.	11,583,139	8,034,680	76,859,480	74,667,331	2,192,149
„ noshi and waste		942,387	846,184	5,713,795	4,468,769	1,245,026
Cotton yarns		2,447,889	1,648,498	19,900,523	21,465,573	- 1,565,050
Straw-plaits		384,648	265,660	2,938,859	2,989,836	— 50,977
Tea		499,779	221,030	10,484,017	8,854,327	1,629,690
Camphor		166,901	208,486	3,404,834	3,904,974	— 500,140
Kanten or colle vegetable		44,645	28,018	1,108,544	1,217,195	— 108,651
Others		901,102	774,158	10,197,321	8,754,634	1,442,687
Coal	Raw Products.	1,502,587	1,458,428	17,270,718	17,542 273	— 271,555
Rice		554,370	1,587,906	6,676,194	6,908,913	— 232.719
Cuttle-fish		154,582	146,415	1,802,415	1,842,249	— 39,834
Sea-weeds and cut sea-weeds		20,150	64,045	809,489	1,418,326	— 608,837
Mushroom, shiitake		122,726	98,915	866,480	860,671	5,818
Copper, coarse and refined		1,558,536	1,147,432	10,261,979	13,904,610	— 3,642,631
Fish oil		73,629	83,321	1,502,602	1,023,631	478,971
Vegetable wax		86,979	66,663	789,874	610,371	179,503
Others		1,009,245	1,178,066	11,748,596	13,322,269	— 1,573,673
Total Exports		29,183,681	24 840,707	258,290,467	252,349,543	5.940,924
IMPORTS.		*Yen.*	*Yen*	*Yen*	*Yen*	*Yen*
Cotton raw	Group I.	7,494,414	6,829,612	79,784,771	60,650,362	19,134,409
Cotton yarns		36,415	233,590	1,747.875	4,873,738	3,125,863
Wool		342,965	221,172	3,397,562	3,129,382	268,180
Iron nails		98,711	75,870	1,451,126	1,364,668	86.458
Rail		7,348	14,417	1,662,700	1,612,540	50,160
Iron, bar and rod		256,785	219,177	3,522,255	3.511,756	10,499
Other iron and steel		559,671	568,117	6 927,990	6,652,285	275,705
Indigo, dry		163,992	198,973	3,097,981	2,665 043	432,938
Paper (except Chinese paper)		352.218	87,096	3,664,400	2,152,353	1,512,047
Leather, sole and other		90,713	152,385	1,346,100	1,347,487	1,387
Machinery and engines		942,481	630,839	8,052,529	11,915,023	3,862,494
Locomotive engines, etc.		67,663	132,649	2,532,809	2,655,652	122,843
Steam vessels		102,707	102,512	1,488,013	2,565,893	1.077,880
Others		3,549,986	2,724,539	34 938,485	35,378,407	439,922
Mousseline de laine	Group II.	472,960	178,943	3,754,837	3,339,121	415,716
Woollen and worsted cloths		101,475	30,585	1,999,890	1,318,162	681,728
Italian cloths		122,048	36,850	1,181,176	601,439	579,737
Flannels		7,345	6,242	487,349	313,297	174,052
Shirtings and cotton prints		660,393	466,258	9,300,074	4,500,388	4,799,686
Cotton satins and cotton velvets		266,097	141,129	3,019,611	2,138,028	881,583
Sugar, brown and white		1,566,775	92,888	14,448,258	33,493,366	19,045,108
Watches		24,853	39,614	234,151	432,554	198,403
Others		1,632,993	1,139,353	16,115,453	14,794,606	1,320,847
Rice	Group III.	3,442,349	155,958	17,740,105	11,878,958	5,861,147
Beans, peas and pulse		1,107,963	424,521	5,786,563	5,328,136	458,427
Kerosene oil		683,296	659,398	14,937,170	14,943,401	6,231
Oil-cake		569,168	215,931	10,145,947	8,109,237	2,036,710
Others		1,916,992	1,089,816	18,968,356	14,151,363	4,816,993
Total imports		26,640,776	16,868,344	271,733,536	255,816,645	15,916,891
Total of exports and imports		55,824,457	41,709,051	530,024,003	508,166,188	21,857,815
Excess of exports		2,542,905	7,972,363	...	...	..
„ imports		...	...	13,443,069	3,467,102	...

tions of this country, yet it cannot be gainsaid that the last twenty years form an important period in the economic history of Japan since the inauguration of the new régime. Indeed, in this period she has had to pass through such difficult circumstances as the depression of 1889 and the economic disturbance following the Japan-China war. Among the objects contemplated by the founders of the bank, the establishment of the system of convertible notes is undoubtedly entitled to occupy the foremost place. It was not practicable, however, to issue convertible notes at once, because the specie was at an enormous premium over paper money. At the outset the Government endeavoured on the one hand to decrease the circulation of paper money by partly withdrawing the notes it had issued, on the other hand to accumulate the specie as reserve for redeeming paper notes. As the result of these efforts the parity was nearly recovered between silver and paper in 1885, and the bank was enabled to issue its notes tentatively in May of the same year, and the system of convertible notes was formally established in 1886. Since then the law relating to the issue of convertible notes has been revised several times, and the legal limit of the issue on securities has been extended more than once. At the same time, the bank not only made an advance of 22,000.000 yen to the Treasury as the fund for redeeming Government notes, but also undertook to render assistance to the National Banks for redeeming their notes. At the end of 1885, *i.e.*, the year just before the establishment of the system of convertible notes, the circulation of Government Notes was no less than 88,000,000 yen, and that of the National Bank notes 30,000,000 yen. These were redeemed by degrees, until, in 1899, their circulation was entirely stopped. Therefore, at the present moment, the only notes in circulation in Japan are those issued by the Bank of Japan. Under these circumstances, Japan has every right to be complimented on the accomplishment of so satisfactory a result, and attained in comparatively so short a period. The complete unification of the paper currency in American and some European countries is still an ideal to be realised. Subsequently, the bank endeavoured more than ever to facilitate the discount of foreign bills and to attract the specie from abroad for the purpose of strengthening the basis of the monetary system.

Since the adoption of the gold standard, the bank has carefully considered measures in this direction, and the new currency system may now be said to stand on a firm and secure basis. Of the various kinds of business entrusted by the Treasury to the Bank, the management of the Government's money takes first place. Before the establishment of the Bank of Japan, this business had been entrusted to various localities. But since 1883 it has been gradually transferred to the Bank of Japan. At first the bank received and paid out Government money merely as an intermediary. Since 1890, however, the receiving, keeping, and paying out of the Government money has been, and is, performed by the bank on its own responsibility. The business relating to the issue and redemption of the Government loans and the payment of their interest was also entrusted to the bank in 1884, and it has been able to render special services with reference to the issue of loans in home and foreign markets. Besides these, the business entrusted to the bank by the Government has increased, including the delivery of coins in exchange for Mint certificates, the management of the fund of the Deposit Bureau, distribution of Government money, etc. In this way the degree of the bank's responsibility towards the State has been increased. To facilitate the circulation of money throughout the country, and to supply funds to the commercial world, branches have been established in important commercial centres, and correspondence opened with banks in different places, the number of the former now being eight, and that of the latter more than 180. In this way a great deal has been done to facilitate exchange operations between the various parts of the country. To mention some of the special measures taken for giving better accommodation to the commercial world, the bank began, in 1890, to discount bills with collaterals; in 1891 it undertook to render assistance in the settlement of clearing-house balances in Tokyo and other places, with branches of the bank; it began, in 1900, to give special facilities for the discount of bills during the fishery season in Hokkaido.

As the business expanded in these ways it has been found necessary, more than once, to increase its available funds. Thus, the capital of the bank, which was 10,000,000 yen at the outset, has been increased to 30,000,000 yen, while the legal limit of the issue on securities, which was fixed at 70,000,000 yen in 1888, was increased to 85,000,000 yen in 1890, and to 120,000,000 yen in 1899. In conclusion Mr. Yamamoto said:—"It is undoubtedly owing to the blessing of the enlightened reign of His Imperial Majesty and the general progress of the nation that the Bank of Japan has had such a prosperous career and been enabled to realise, to a satisfactory extent, the objects contemplated at the time of its establishment. But it will be admitted at the same time that this gratifying result is also due, to a great degree, to the assiduity of the members."

Speaking of the future, Mr. Yamamoto stated that the progress of the nation would constantly necessitate a further expansion of the business of the bank, and its responsibility towards the State would become more and more important. "We are," he continued, "called upon to effect in the future a more remarkable development than in the past. And I hope earnestly that all the members will perform their duties with diligence and harmony, so as to reflect lustre on the establishment with which they are connected."

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A JAPANESE VIEW OF EUROPE AND AMERICA.

IMPRESSIONS OF BARON SHIBUSAWA.

THE observations of such a shrewd critic as Baron Shibusawa, the President of the Associated Chambers of Commerce of Japan, and one of the most powerful men in Japan's financial and commercial circles, cannot fail to be of interest, and perhaps of benefit, it being usually beneficial to see ourselves as others see us.

Baron Shibusawa, in addressing the members of the Tokyo Chamber of Commerce on his return from his tour of America and Europe, modestly disclaimed any right to hold any decisive opinion concerning foreign institutions, because he had only stayed in Europe and America some six months. Would there not be more chance of learning the truth about distant countries if all our great travelling statesmen and financiers were to be equally modest, and not mistake the impressions of a few weeks' observation for profound knowledge? The first city of importance visited by the Baron was San Francisco, where he was much interested in the Chamber of Commerce. To quote his own words:—

What impressed me most was the great economising in the number of employés. The whole business of the Chamber was transacted by a President, a Chief Clerk, and an Accountant. The President is a very active and efficient worker. After entering into conversation with him, I found that he was a man of practical views. What he said was always to the point. "How can we make money?" seemed to be predominant in all his conversation. I am neither a poet or a medatitive thinker, but even to me the entire bearing of the gentleman appeared to lack what we would call in our language *kiin*, or highly-reserved manners. This may be the reason why the Americans are sometimes called the worshippers of Mammon. In short, this gentleman was a shrewd and active worker, intensely practical, transacting the entire business of the Chamber with the assistance of a handful of men; yet the Chamber is a weighty organisation of the city, and its credit stands very high among the people.

Baron Shibusawa also visited the Chambers of Commerce in Chicago, Boston, and New York. In Washington he had an interview with President Roosevelt, who praised Japan very highly, but not at all along commercial and industrial lines, as might have been expected from the fact that these were the points of view in which his guest was interested.

Baron Shibusawa gives the following account of his interview:—

The President said—"Japan is a wonderful country; I have been told of the bravery, the discipline, and the sympathy of the Japanese soldiers in the late trouble in China, and also that the Japanese are a very artistic people." These words were very gratifying, but I felt somewhat disconcerted, because of the fact that he did

not make any reference to our commerce and industry. I made so bold as to thank him for his kind praise of Japan, and to tell him that in my next visit to America I expected to hear him say that Japan had gained an influence in the world's trade. To this remark of mine the President answered, smiling—"I fully appreciate your view. We must try and remember this conversation. I did not praise Japan's commerce, because it is still in its infant stage." Then he went on to explain the present situation of American commerce, as if he would point out the way to industrial Japan.

In England, Baron Shibusawa addressed the London Chamber of Commerce, besides visiting Manchester, Glasgow, and Newcastle. Passing then to the Continent, he visited Belgium, Berlin, and Hamburg. During his visit to Paris, he was much struck by the French Chamber of Commerce, of which he says:—

It appeared to me to be by far the best regulated of all the Chambers of Commerce I have seen. Having been organised under a strict legal supervision, it has under its control the Trade Investigation Bureau, which is run by the combined efforts of itself and the Government. Reports are regularly drawn up by the Bureau to supply accurate information, concerning the commercial condition of the world. I have not been able to find out how much benefit this organisation is giving to French trade, but I think it is by no means small.

Apart from the subject of Chambers of Commerce, Baron Shibusawa has the following impressions:—

Four distinct pictures are presented to my mind. I think of America, England, Germany, and France. They have some resemblance one to another, but each has its own characteristics. The question is how to think of these different countries from the Japanese point of view.

Dealing with America, he says:—

As everybody knows, commerce and industry in America are progressing by leaps and bounds. America is a great assimilative force. Men of all ranks, differing in temperament and training, are formed into one body. The heterogeneous elements composing American society are made homogeneous by the one assimilative power of America. Anything that touches this mighty nation receives its characteristic impress. Should such diverse elements come into our society, we would, perhaps, find them beyond our power to control, and should have to give up their unification as a hopeless attempt. Each man in America pushes his own interests, without taking into account any consideration of the case of others, and yet when any vital question, requiring the united action of the whole arises, they all co-operate and work under the principle of America as a nation. America is rich in agricultural products, and progressive in industrial enterprises, and knows no bounds to her future developement. What I am most concerned about is the fact that the progress of America will not be confined within its own domain, but she will spread herself to the Far East. Japan will have, indeed, a strong rival in America for spinning, weaving, and paper manufacturing. Moreover, America can furnish money at a low rate of interest, and she adopts the latest mechanical appliances, handled by the most experienced workmen. America can produce things on a large scale, thus reducing the cost of raw materials; everything in Japan is just the opposite—the rate of interest is high, the machinery small and imperfect, workmen inexperienced, and the productive power insignificant. Paradoxical as it may appear, America, which was the first to introduce us to the civilisation of the world, and has been our warmest friend, will turn out to be Japan's strongest rival in the field of commerce and industry. Progressive as the Americans are, they are apparently very modest in their claims. Should you ask any American as to the future development of American commerce abroad, he answers to the effect that America has enough to do to meet the demands of her own country.

Touching on England and English methods, Baron Shibusawa considers that in many respects we differ from America in our tone:—

There are some (he said) who blame her because she is too conservative, but her commerce and industry are based on a solid foundation, made secure by the experience of several centuries. The English are earnest and sincere in all their undertakings. Once started on a work, they will hold to it to the last. Her spirit of steadiness and perseverance strikes terror even into the

BARON E. SHIBUSAWA.
President of the Associated Chamber of Commerce of Japan.

hearts of the progressive Americans. As far as I can see, the business men, both in England and America, regard us with goodwill, and I firmly believe, that if we perform our duty, they will not fail to join hands with us. Thus, you see, the Anglo-Japanese Alliance has proved profitable not only in political, but in commercial and industrial fields.

France and Germany come in for briefer mention, thus:—

What struck me most in Germany was the fact that everything is done in a calm, quiet, and scientific manner. In that country, I may say science and commerce go hand in hand, making steady progress. France is a beautiful country, but in respect to commerce and industry she is inferior to other Great Powers of

Europe. She is not a country which will prove a terrible rival to Japan in commerce and industry. France is the country for artists but not for practical business men.

Baron Shibusawa then proceeds to turn his observations of these countries into a lesson that his own country may profit by, and propounds, as follows, his opinions as to what Japan should do:—

All the countries of Europe vie with one another in developing their own respective commercial interests. The war not of soldiers, but of business men, is constantly being fought nowadays, all over the world, and the crown of victory will rest with those nations which are successful within their commercial enterprises. The lamentable condition of our trading class will result in hampering the progress of the country. I was warmly received by the prominent men of the world, but on what grounds? The President of the United States praised Japan because of her military prowess and fine arts. Are not Germany, France, and England praising Japan up to the skies upon the same ground? If the warm reception I received abroad is based on the feeling that I came from a country known for its military exploits, I must confess that that reception is a death-blow to our hopes. Because too much militarism, I am afraid, will sap the very life of a nation. I understand that the Chambers of Commerce of Japan desire to extend their commercial interests to foreign countries. If that be really the case, local feelings should be done away with; at the same time they must seek commercial knowledge far and wide. No one can be more vehement than I in opposing the spirit of exclusion which characterised our people. Let me remind you, however, that capital is like water. It flows freely and runs to the spot where the attraction is greatest. Should we unite our efforts to make Japan as attractive as possible, I am almost certain that foreign capital would be introduced into Japan. While, on the one hand, we insist on the open-door policy for commerce, yet, on the other, still retain the old, narrow and exclusive spirit, we can do nothing. Our policy is suicidal. Progressiveness and conservatism are inconsistent. To be plain, I am afraid that our laws are in a certain measure a barrier against the introduction of foreign capital. Hence there are three points which should be carefully considered:—

1. Any laws or organisations which form obstacles to the world-wide expansion of Japan's commerce should be done away with.

2. We all should unite in exchanging our ideas with the leading men of the world, thus acquainting ourselves with the position of foreign commerce, while, at the same time, making it our national policy to give foreigners clearer insight into the real condition of Japan's finance, economics, commerce, and industry. Both the Government and the people should unite in this attempt. I am told that Russia is employing every possible means in attaining the same end as ours.

3. The last, but by no means the least important, item is the ratification of the Japanese commercial morality. In spite of myself, I hesitate to say that Japan has as high morality in commerce as England, America, and Germany. As long as the present low state of morality continues, all our attempts to obtain capital from abroad will be absolutely futile. Laws may be improved, but the barrier of a low morality is by far stronger than that of bad laws. Let us use every possible means to improve the standard of our business morality. Another thing is that too much stress cannot be laid upon the necessity of unity. The Japanese are, indeed, a strange people. Individual attempts are good, but when they are made in a body troubles are sure to arise. I beseech all the business men of Japan to hold steadfast to the principle, "In union there is strength." ALFRED STEAD

THE OSAKA EXHIBITION.

AN INTERVIEW WITH MR. H. OTA, ACTING CHIEF COMMISSIONER.

[BY OUR SPECIAL COMMISSIONER.]

Osaka, January, 1903.

THE ancient city of Osaka, variously known as the Manchester and the Chicago of Japan, where it has been decided to hold the Fifth National Industrial Exhibition,

MR. H. SHUGIO, IMPERIAL COMMISSIONER.

is the chief industrial centre of the Mikado's Empire. Indeed, with its vast congeries of quaint shops, its canals, its thousand bridges, huge temples, and the beauty of its surroundings, one might well say that Osaka is in itself an interesting exhibition.

The Exhibition which opens on March 31st will be one of the largest in its scope that has ever been undertaken by the Japanese Government, and, if forecasts are any criterion, it promises to be the largest collection of manufactures and products ever gathered together in Japan at one time. A special feature of the Exhibition will be the admission of foreign exhibits, which is

entirely a new departure. This has been done for the promotion of commercial interests between Japan and foreign countries, and also for the establishment of closer relationship with foreign nations. In order to obtain some information first-hand, I sought Mr. Ota, the acting Chief Commissioner, who very courteously volunteered the following information. I quote his own words:

"Being in charge of Exhibition affairs, I sincerely desire to obtain your friendly assistance in successfully carrying out the work. I especially asked you to come up to-day, being desirous of getting acquainted with you, and also to avail myself of the opportunity to ask you to inspect the buildings, which have been nearly com-

MR. E. OTA, ACTING CHIEF COMMISSIONER.

pleted. I will now give you a general plan in scope and outlines.

"Before going further into details, I should like you to make any suggestions that would tend to promote comfort for the foreign visitors to the Exhibition. Any suggestions put to me shall have the most careful attention. We especially solicit your assistance in acquainting visitors how much is being done to ensure their comfort during their stay in Osaka.

"The coming Exhibition, as you know, is entirely a Government affair. There are to be two separate plots of ground—one in Sakai, where is being built an Aquarium, and the other in Tennoji, about half an hour's train ride from Osaka Station. The Tennoji plot is the principal, covering a space of 105,000 tsubos in all. Sakai, 10,000 tsubos (aquarium and gardens only). As compared with the last Exhibition, held in Kioto some eight years back, the whole only had an area of 50,560 tsubos. A great increase is to be seen in the number of applicants for stalls, also in the space applied for.

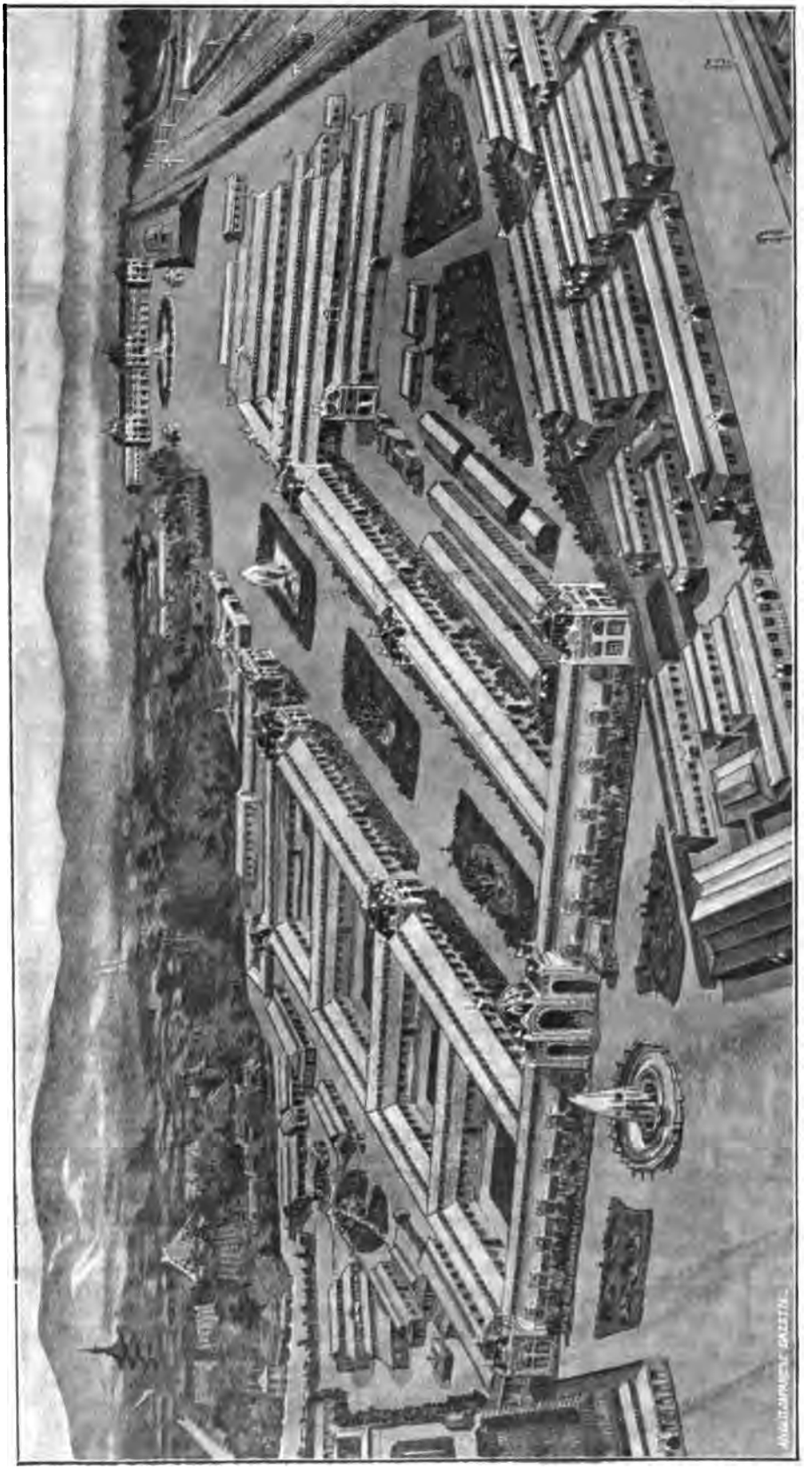
"Since the buildings were first commenced, so great were the applications for space that most of the buildings had to be taken down, and the size doubled. In spite of this, we found them too small still to accommodate the spaces applied for by several Fu or Kens in Japan. In consequence, we had to reduce the former applicants' spaces to one-fifth, and in some cases to one-twentieth. Applications for about 1,000 tsubos have been refused on account of applying after closing date. Accordingly, the goods that will be exhibited will consist of selected goods only, so offering

MAIN ENTRANCE TO EXHIBITION.

visitors a splendid opportunity of seeing samples of really first-class Japanese manufactures and products.

"Form of displaying goods is to be on a totally new method to those used in past exhibitions. All exhibits are to be placed according to prefecture and district in which they are manufactured, thus making it easier for people to compare goods made in one district to the others. In addition to the Exhibition buildings, there is a space of 5,000 tsubos granted to several prefectures for the building of a number of stalls, bazaars, kiosks, etc. The expense of putting up of the stalls, etc., are to be borne by prefectures represented. Each stall, etc., will be built according to its native style, and the persons attending dressed accordingly, and the goods are to be sold only by the people displaying the same.

"The Government of Taiwan (Formosa) has agreed to erect a building. This will be entirely of Formosan architecture, managed throughout by natives. There will be a hall, in which there will be musical entertainments given by the Formosans on their own musical instruments. There is also a bazaar for the sale



GENERAL VIEW OF BUILDINGS AND GROUNDS OF THE FIFTH NATIONAL INDUSTRIAL EXHIBITION AT OSAKA.

of Taiwan specialities, erected near the entrance of the section.

"Fine Art Gallery.—This building is one of the finest in the Exhibition. Being built on a higher level to that on which the other Exhibition buildings stand, it should prove a great attraction to visitors. As all exhibits intended for this building are to be subjected to our examination before being granted permission to show, nothing but the most selected will find its way to the Fine Art Gallery. Among principal exhibits in above are sculpture, pottery, porcelain, pictures, etc.

"Foreign Samples Building.—The Government authorities are to be congratulated on the way they have succeeded in getting European manufactures and products to be shown. Original plans were for 1,000 tsubos; but, owing to the great number of applicants, we increased it to 1,750 tsubos; but as this still did not suffice, we had to reduce all stall-holders to about one-fourth of their space applied for. In consequence of this, some firms, dissatisfied with their stall being reduced, asked permission to erect buildings of their own, for which they were willing to pay all expenses. This we granted. One firm alone has taken 200 tsubos, while another decided to build a stall of about 168 tsubos for exhibiting American machinery. The Canadian Government has taken a space of 200 tsubos.

"A number of beer-halls, restaurants, and tea-rooms will be

erected about the grounds. Notable amongst these is the one allotted to the Osaka Club Hotel.

"There will also be a number of noted Japanese restaurants from all parts of the country. As many of the provinces are being represented, one may have a dish that can only be cooked in that particular place, giving visitors an opportunity to try certain dishes which could otherwise only be obtained by visiting that particular province.

"Athletic meetings will be held in the grounds situated at the back of Art Gallery. A tower is in the course of construction, from which one may have a fine view of Osaka and surrounding districts. This will be built to a height of 100 ft.

"There will be a great assortment of amusements in the grounds, including side-shows, 'round-the-world trip,' 'magic illusions,' acrobats, jugglers, etc. A water-chute is also under construction—the first of its kind here—and I believe it will be well patronised.

"Various privileges will be allowed to foreign visitors who may visit Osaka Exhibition, and both the Exhibition and Government authorities are doing their best so as to make their visit a pleasant and enjoyable one. This will be a rare opportunity to witness the Japanese customs and industries. We also contemplate to show the foreign visitors the following, if possible: Osaka Castle, four Palaces in Kioto, Nagoya Castle, and Hama Palace, Tokyo, which, as a rule, are not opened to foreigners. Special visitors are to have more privilege. (Special visitors are those having invitations.) These may be obtained by applying to the Japanese Consul or Chamber of Commerce at various ports.) Arrangements are being made for special trains, etc., to run into our private station in the Exhibition grounds. This station is named 'Exhibition Station.'

"One special festival will be held at Tennoji (just outside the Exhibition grounds), where priests from all over Japan will be present, numbering upwards of 15,000. This is held at the Buddhist Temple (Tennoji), one of the oldest in Japan.

"Arrangements have been made with the Tokyo Foreign Language School to suppy 150 students as interpreters and guides who have passed their Government examinations. The Exhibition buildings will open at 8 a.m., and close at 4 p.m.; but the grounds will probably be open till 11 p.m. We expect the grounds to be very attractive during the evening, as they will be illuminated by electricity. There will also be Japanese dancing, singing, and theatres performing.

"On July 1st, H.I.H. Kan-in, President of the Fifth National Industrial Exhibition, will present the awards. The total expenditure for the Exhibition is 1,093,973 yen, paid by the Government. The amount spent for the Kioto Exhibition of 1896 was 443,303 yen.

"The above cost of the present Exhibition is simply for buildings, etc., as the ground is lent for the occasion by the Osaka Municipality. There are forty-seven prefectures in Japan, and each is contributing about 20,000 yen; the rest the Government has to pay.

"We expect 40,000 to 50,000 people, at least, to visit the Exhibition every day, the entrance fee being so small as 5 sen (one penny).

"The Government buildings are being built by Mr. Ohbayashi, contractors to H.I.J.M.'s Government, on a contract that all must be completed by January 15th, 1903."

ARTS BUILDING AND CENTRAL GARDENS, OSAKA EXHIBITION.

PROPOSED GREAT JAPANESE EXHIBITION IN LONDON.

Because of the frequent references made of late in the Japanese Press to a proposed great Japanese Exhibition to be held in London, a representative of "The Anglo-Japanese Gazette" sought Mr. Arthur Diósy, F.R.G.S., Chairman of Council, Japan Society, who kindly accorded him an interview on the subject.

Like the celebrated American, Dr. Chauncey M. Depew, who is ever at home to journalists, Mr. Diósy always accords a courteous welcome to any representative of the Press who seeks him for information on matters of public interest. And on this particular question, who better able to speak first-hand than he?

"The Japanese Press having repeatedly mentioned the interest taken in the proposed Exhibition by the members of the Japan Society in London, and the endeavours made by Mr. Consul Arakawa, now on leave of absence in Japan, to bring the matter before the Japanese Government and the Chambers of Commerce in Japan, I have called," said our representative, "to elicit your views as to the probabilities and possibilities of the suggested undertaking."

"It has long been a pet scheme of mine," said Mr. Diósy, "as I am convinced such an Exhibition would prove highly beneficial both to Japan and to Britain, and would tend to strengthen still more the bonds between the allies."

"Has the Japan Society taken any action in the matter of the proposed Exhibition?"

"Not as yet. The subject is still in too early a stage of development. But I may tell you that so much interest has been aroused in the great body of the members that it seems certain the Society will take prompt and energetic action in furtherance of such an Exhibition as soon as a plan promising success has been sanctioned by the Government, without whose patronage and active sympathy such an Exhibition could not be held satisfactorily."

"You have had considerable experience in exhibitions, have you not, Mr. Diósy?"

"Yes; I have spent several years as a Government Commissioner in connection with many of the great international exhibitions, and one thing which struck me was that the Japanese sections were always crowded with visitors. I thought at these times, and I still think, that a Japanese Exhibition—that is, one composed of Japanese exhibits only—held here in London would certainly be a great success, and would prove financially remunerative.

"I considered the question very seriously then, as now," continued Mr. Diósy, "and consulted one of the first exhibition authorities, the late Sir Philip Cunliffe Owen, who gave me the benefit of his views. I also consulted Sir Arthur Trendell, C.M.G., and the late Mr. Louis Fagan, M.J.S., late of the British Museum. Mr. Fagan took a very great interest in the matter, and succeeded in interesting other people in it. I am talking now of ten or eleven years ago. The first point on which we all agreed was that if such an exhibition were to be a success, it must be a *great* Japanese Exhibition. I do not mean an enormous bazaar for the sale of Japanese goods by retail, because such would only attract, possibly, for a week. I think a Japanese Exhibition in London should be something worthier. Nor do I mean that it should be simply a large museum, full of undoubtedly beautiful Japanese works of art and samples of Japanese manufactures, because, however well arranged, however beautiful, such a huge museum would entirely fail to attract the general public. Also, I do not mean that such an exhibition should be a huge 'show'—simply a repetition, on a large scale, of the 'Japanese Village' held years ago at Knightsbridge. That is not what I mean. What I mean is a combination of all three things I have just mentioned—an exhibition which would give a vivid idea of what Japan really is, of what Japan has done and can do."

"Where could such an exhibition be held?"

"The best space in London for holding exhibitions is no longer available—that was in the old gardens of the Royal Horticultural Society at South Kensington, which have been given over to the builders. The Crystal Palace and Alexandra Palace are not easily accessible, and are too far from the West End. Mr. Fagan was at one time in favour of Olympia, and, when discussing this subject in Japan with the Japanese Government, I believe he definitely mentioned Olympia. It would not be well to hold a great exhibition at Olympia, owing to its all being under cover. You cannot make an exhibition attractive to the public without gardens. The

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general public care very little, as a rule, what is in the buildings, so long as they have nice grounds, good bands, and good illuminations."

"Do you anticipate the gate receipts would be sufficient to make the Exhibition a financial success?"

"I do! As soon as I had made up my mind that the only good place was Earl's Court, I approached some members of the Japan Society who control those grounds. They worked out a scheme, and laid it before the then President of the Society, and His Excellency communicated it to the Government. The then Minister of Foreign Affairs, the late Count Mutsu, seemed very favourably disposed towards the idea. It was, however, not yet the time to organise a great Japanese Exhibition in London. We had hoped something might be done, but war broke out between China and Japan, and an exhibition was, of course, not to be thought of.

"In 1899, in Japan, I had many long conferences on the subject with the Minister for Foreign Affairs, and especially with the Minister of Agriculture and Commerce. Though they were both of opinion that the idea was a very good one, and should be carried out, they stated that it was not possible at that time, because all the energies of Japan, in the way of exhibitions, were then concentrated on making a good show at the Paris Exhibition of 1900, and Japan was not in a position to run two great exhibitions at the same time. However, I did not allow the matter to drop, but still continued negotiations with various people, and the result has been that some members of the Japan Society drew up three alternative schemes, and asked me to lay them before the I.J. Government. I accordingly, after informing His Excellency the Japanese Minister, asked Mr. Arakawa, Consul-General, whether he would receive these gentlemen as a deputation. I introduced them to him last summer. He took the schemes with him to Japan, and I see by the latest news to hand from Japan that Mr. Arakawa evidently looks upon the matter favourably, for he has reported to the Minister of Agriculture and Commerce, and, through him, to the Chambers of Commerce, and I am expecting to hear any day from Japan what this has all led to."

"Would you be good enough to outline the schemes you have referred to?"

"Roughly, the first one—the one most favourable to Japanese interests—suggests that the Japanese Government should hire the grounds and buildings at Earl's Court for the space of one year, thus: three months for installation of the exhibits and adaptation of the buildings and grounds; seven months for the holding of the Exhibition; and two months for dismantling and packing up. Under this scheme the whole organisation and administration of the Exhibition would be in the hands of the Japanese Government, who would also reap the whole profits. The second scheme provides for modified participation by the Japanese, either the Government or a Japanese or Anglo-Japanese syndicate hiring the grounds and buildings at a rent reduced to the extent of the income derived from the annexes, or side-shows, which would be undertaken by the owners of the premises, the London Exhibitions, Limited, as their own enterprise. Under this scheme the Japanese Government would still retain the right of inspection and control. The third scheme suggests that the whole Exhibition should be organised and managed by the London Exhibitions, Limited, under the supervision of the Japanese Government or its nominees, free space being given to Japanese Government exhibits, and all other space occupied by Japanese exhibitors being paid for at a moderate rate, to be fixed by agreement. In any case, whatever scheme be ultimately adopted, a large building would be handed over free of charge to the Japan Society for a retrospective exhibition of Japanese art, the exhibits being lent for the purpose, and not for sale, such exhibition to be under the control of a committee appointed by the Society."

"And, under any of these schemes, you anticipate not only a great success, but also gratifying financial results for the promoters?"

"A great exhibition, when properly carried out, is a very successful undertaking, and if it result in a loss, that loss is generally caused by the exhibition being put in a wrong place, being held at a wrong time, or by neglecting to cater for the tastes of the general public. Given a good start, good preparation, a good date for the opening, and giving the public what the public want, success is assured. Another very important thing you want is good weather; but over that you have, of course, no control."

"And what is the earliest possible date that such an exhibition could be held?"

"1905 appears to be the earliest possible date. In 1904 there is going to be a Great World's Fair at St. Louis, U.S.A. Consequently, Japan, who is going to have a very fine section at St. Louis, could not exhibit there and at London at the same time. But as the Japanese section at St. Louis is going to include, I believe, many of the objects exhibited at the Great National Exhibition at Osaka this year, the idea is that some of these and some of the buildings might come on from St. Louis to London. There will be, it is said, some very fine reproductions of ancient Japanese buildings at St. Louis, and those, as well as exhibits remaining unsold, might come here in 1905. That date would give ample time for preparation."

"Besides the advantages likely to accrue to Japanese industries and commerce by such an exhibition, would there not be higher reasons why such an exhibition should be held?"

"There are. To begin with, there is a strong political reason. The alliance between Britain and Japan is a strong reason, and you may remember that in 1905 the alliance will have only two more years to run. You know what a great historical fact that alliance is. And you, I know, hope with me that, for the good of both nations, this alliance will be renewed. The people of Britain do not really know what Japan is, what Japan has done, what Japan can do. Just imagine, in this proposed Exhibition, a long street down the centre of it; on one side, a representation of Yedo in the year of Commodore Perry's arrival; on the other side, Tokyo in 1905—the post-office, the telephone, the electric light, the railway; in fact, Japan as Japan is to-day. The most ignorant Englishman, who would walk in at one end of that street and out at the other, would clearly understand what Japan has achieved in fifty years. At the reproduction of Old London at one of the late great exhibitions at South Kensington, how many hundreds and thousands of the four and a-half millions of people who passed through the turnstile realised for the first

time what the progress of the nineteenth century meant?"

"As to the historical retrospective exhibition of Japanese art to be formed, as you have just suggested, by a committee of the Japan Society, do you think such a committee would be able to secure a loan of sufficient exhibits from collectors throughout the world?"

"Certainly. Nearly all the great collectors in all countries are members of the Society, and I feel certain they would willingly lend their treasures when they were assured that the Society would watch over their interests, especially as carriage of their exhibits to and from the Exhibition, unpacking, re-packing, insurance, police and fire brigade protection, and glass cases, would all be provided free of charge to the lenders. The only difficulty the committee would experience would be the enormous number of exhibits that would be offered; and the committee would have to exercise a strict supervision over the applications so as to ensure only really representative objects, illustrating the history of the arts of old Japan, being included in the loan collection."

"Well, I trust the undertaking will prove a great success."

"As far as lies in my power, I hope to help to make it so, for I am in the matter heart and soul. I base great hopes of success on the sympathetic manner in which Mr. Consul-General Arakawa has so kindly taken up the idea, and on the way in which his efforts have been received in Japan."

JAPANESE FINANCE.

JAPAN AND FOREIGN CAPITAL.

It is very evident, from the remarks recently made by Baron Iwasaki when referring to the question of the introduction of foreign capital by a certain electric railway undertaking, that the idea of inviting funds from foreign capitalists for the carrying out of public works does not meet with general approbation in Japan. Such works Baron Iwasaki considers to be national undertakings, and as such should be financed with Japanese funds. By this he (Baron Iwasaki) does not wish it to be understood that he is opposed to the introduction of foreign capital altogether. Such, he considers, may be used with advantage to a certain degree, but, in his estimation, the economy of Japan is not yet advanced to such a stage as to allow foreign capitalists to hold half the amount, or more, of the whole stock of a company, and to take entire control.

The industrial future of Japan must to a large extent depend upon the attitude of the Government towards foreign capitalists. Provided that a country has plenty of capital at home, it is a mistake to go abroad for money, since this must mean a considerable outflow of profits, and a loss of those savings which might be reinvested in home industries. The British Australasian colonies have come to their present financial pass by being too ready to look abroad for money whenever any capital was wanted. On the other hand, the present prosperity of the United States has been built up by

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means of foreign capital and by foreign capitalists who have been induced to settle permanently in the country, and assist in the development of its resources. Everything depends on whether the foreigner is regarded as a partner in the future of a country, or merely as a moneylender who draws annual blood in the form of interest, and takes no real part himself in the active work of development.

Japan has suffered so heavily in recent years from the outward drain of gold that there is a strong desire among native politicians to prevent any repetition of trouble by storing up all the gold that can be got hold of. In order to achieve this end, a balance has been reached between the import and export trades; but a balance of this kind is subject to economic laws, and cannot be controlled by any political wirepulling. If costly goods are purchased abroad, such as warships, they must be paid for, and large purchases of this exceptional kind in any year will clean upset the balance of trade, and lead to exports of gold. The Government can control its own orders, but it has no control over other people's, and it is futile to expect that gold will not go if the imports greatly exceed the exports. This fact is realised, and as an important channel for gold exports is opened by the payments of interest on money borrowed abroad, there is a strong prejudice in the country against the foreign capitalist. The year 1901-2 shows a net revenue surplus of about 7,000,000 yen, and the settled accounts for 1902-3 are expected to show a further surplus of 15,000,000 yen. The anxiety to keep up the stock of gold in the country is leading many politicians to advocate the storing up of these and any future surpluses. There is something to be said for this course, but as it involves the locking up of unproductive resources in the national banks, the native industries will suffer from lack of capital unless the foreigner be called upon to supply the want. The Japanese are, therefore, impaled upon one of the horns of a dilemma. If they store up their own money, they will have need of foreign capital, and if they make use of foreign capital, they will have to send money out of the country by way of interest upon it.

Total value of Specie and Bullion exported from and imported into Japan during January, 1903, with comparison to corresponding period of the previous year.

	January.		Increase.
	1903.	1902.	
EXPORTS.	*Yen.*	*Yen.*	*Yen.*
Gold coin & gold bullion	100,961	33,529	67,432
Silver coin & silver bullion	383,427	93,419	290,008
Total	484,388	126,948	357,440
IMPORTS.			
Gold coin & gold bullion	2,964,239	348,939	2,615,300
Silver coin & silver bullion	792,063	17,876	774,187
Total	3,756,302	366,815	3,389,487
Excess of exports...	...	...	...
,, imports...	3,271,914	239,867	...

The solution of the trouble is obvious. It is to treat the foreigner as a partner, and not as a moneylender. It is far better that foreign capitalists should engage as shareholders in Japanese enterprises, and should live in the country and look after their property, than that they should stay away and draw 4 or 5 per cent. per annum out of loans. But the foreigner will not become a shareholder unless he is placed upon the same legal footing as natives in regard to the holding of property. There are still, I believe, restrictions as regards the foreigner's rights in respect to freehold property, and as property of this kind must always form the basis of industrial operations, it will be necessary to treat him as an ally, and not as an enemy. A creditor is one thing, but a partner, more especially a resident partner, is another; and the more wealthy foreigners Japan can attract as permanent residents and overseers of its industries, the better for the Japanese.

This subject has been dealt with recently in forcible language by the Tokyo correspondent of "The Times," and his remarks may be read with advantage. He writes:—

"A foreign investor presents to conservative Japanese the same aspect that an absentee landlord presents to Irish tenants. Dividends paid to the foreigner go out of the country in hard money. Therefore such dividends should be reduced to a *minimum;* and therefore, if foreign capital is to be utilised, it must be obtained in the form of loans, at a low rate of interest, instead of coming in the company of the foreigner himself as a partner in highly-paying enterprises. Let the foreigner draw his 4 or, at most, 5 per cent. out of the country, but do not let him draw 12 or 15 per cent. as a shareholder in lucrative concerns. It is quite curious to hear the shrill, hysterical outcry raised by old-fashioned conservatives over this mare's-nest. Considering that the Japanese nation has entered into partnership with Great Britain, such timidity on the part of the individual Japanese seems rather laughable. But there are two reservations to be made. One is that politics are partly responsible. Certain Cabinet Ministers are supposed to be associated with enterprises where there is talk of admitting foreign capitalists to partnership, and an opportunity thus offers for representing these Ministers as men imbued with the instinct of gain rather than of patriotism. The other is that there are already signs of strong rebellion against such a pusillanimous doctrine. A leading journal points out that, Government loans apart, foreign capital cannot possibly come unless the foreign capitalist comes with it to superintend its employment; and that, Japan being bound by her own laws, as well as by her treaties, to make no discrimination against the alien in matters of business and industry, it is extravagant to talk any longer of keeping him at arm's-length. The outbreak may, therefore, be regarded as a temporary aberration, but it has produced a palpable effect, and will certainly be construed injuriously by Japan's foreign critics."

YEN.

FINANCIAL REFORMS IN JAPAN.

THE Japanese Minister of Finance (Baron Sone), in the course of a speech delivered before the Prefectural Governors, at the conference held in Tokyo recently—a translation of which has reached us from Mr. H. Kodama, the Japanese Financial Representative in London—referred to the efforts that had been made for putting into practice the financial reforms promised by the Katsura Ministry on its installation into office. The measures were decided upon with the object of securing the stability of the national finances by endeavouring to make the two sides of the Government's accounts balance with each other, while at the same time taking care that the Government financial arrangements did not interfere with the people's economics. These consisted in (1) adjusting the undertakings to be carried out by raising loans; (2) equalising as far as possible the annual appropriations for undertaking purposes, so that the Government disbursements might be in harmony with the economic development of the people; (3) solidifying the financial foundation of the country for the future by readjusting the management of the sources of revenue; and (4) the introduction of various amendments into the laws of national accounting. After dealing at some length with each of these four items, Baron Sone went on to say that when an attempt was made to effect reforms in the finances of the nation, it was necessary that the work should include the adjustment of the provincial finances.

The provincial expenditure, which has increased so rapidly of recent years, is not only becoming a burden to the people, but tends to make the smooth working of the system of the prefectural self-government a difficult matter. The Central Government consider it imperative that all possible economy shall be observed by the provincial authorities, and that a policy should be adopted of strictly discountenancing the schemes of starting prefectural undertakings by means of floating loans. The foregoing are, in outline, the steps which the Government have taken since last year with the object of attaining a financial and economic readjustment of the affairs of the country.

Fortunately, Japan's foreign trade is now showing signs of regaining a favourable turn. The specie reserve of the Bank of Japan, which once dwindled down to some 60 million yen, now stands at 170 millions. This is an indication that the country's monetary organ is steadily attaining a prosperous state; in fact, the economic world of Japan at large is now beginning to reach a healthy growth. The Government, his lordship said, was well pleased with this tendency of things, and was resolved to promote and help on this tendency.

So much for Government financiering in the past. Proceeding next with the principal features of the Budget for the thirty-sixth fiscal year, which had the misfortune of being held over owing to the dissolution of the Diet, the Minister asserts that the underlying principle which guided the Government in drawing up the Budget in question was the same as that which guided it in the past—namely, the principle of financial adjustment. Their adjustment does not necessarily mean the retrenchment of expenditure alone; for, holding financial and economical harmonisation as the central idea, the Imperial Government has made it its duty to cut down disbursements and postpone undertakings where such steps were thought advisable, while at the same time formulating a definite programme of pushing business where this was thought to be helpful to the nation in its onward career.

The general line of policy adopted by the Government being what it was, the latter are keenly aware of the necessity of naval augmentation, a question which has arisen in consequence of the trend of international affairs. The Government therefore decided on a naval programme involving an outlay of 110 million yen, to be spread over eleven years, such money being obtainable by making permanent the existing rate of the land tax. This scheme is, however, essentially to promote and protect the growing trade and industry of the country. The Government also proposed to carry to completion the railway and telephone projects, the work of improving the waterways, the establishment of the organs to promote Japanese interests in China and Korea, care being taken that such undertakings should be executed within such limits as would not disturb financial and economic harmony. Of these, railway building—involving an outlay of 130 million yen, to be spread over ten years—was deemed necessary in order that the nation at large might secure in full the benefit arising from the railways already in existence.

River engineering, Baron Sone said, had been a long-standing problem, the necessity for a satisfactory solution of which had increased with the passing of time; and the Government regretted very much that the fate of the thirty-sixth Budget led to its being shelved once again for the present.

Coming to the collision of views with the House of Representatives, his lordship said the Opposition had, under the pretext of giving rest and recuperation to the people, rejected the Land Tax Bill even before giving due consideration to the Government's programmes as a whole. The Government fully recognised the importance of rest and recuperation, but he insisted on saying that, in order to provide for the work of carrying to completion the programme of national armament, it was of the utmost importance that the necessary funds should be obtained from the most reliable and unfailing source, and there was none better suited for this purpose than the land tax.

In concluding his speech, Baron Sone referred to the importance of impressing on the nation at large the importance of building up the credit of the monetary organs, and also of cultivating the habit of saving, and expressed his hope that the Governors would do their utmost in disseminating these ideas among the people under their care.

The much-vexed question of making permanent the existing rate of land-tax has already been referred to in the columns of the "Gazette," and our readers will remember that, while we did not dispute the policy of the Government in adopting such a course, we pointed out that if the idea was to increase the revenue from this source, and at the same time avoid the friction which exists on this point, then the authorities should set about a scheme for re-valuation. E.

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GENERAL NOTES.

One of the latest nations to adapt itself to the new order of things has been the British—that new order of things which came over the silver streak from the land where vigorous and enterprising youth directed the nation's industrial affairs. When the revolution began, it would, perhaps, be difficult to discover. It was a gradual process, which involved the outward appearance in contrast to the invisible, but inherent, qualities of worth. The catalogue, the price-list, the poster have all gone through the mill, and who can doubt that they are each the better for it? Instead of line upon line of descriptive matter, we have attractive illustrations, with what may be termed just the requisite *soupçon* of writing emphasising the chief points and advantages. And what more is wanted to attract the purchaser? This American style is gradually percolating through the houses of British manufacturers and exporters. But there is something of even more importance than catalogues and price-lists—and that is, the principles which guide the prosecution of business in foreign countries, where other manufacturing nations are striving to get all the orders they can. Hitherto Great Britain has been too proud of the fact that her goods cannot be beaten in value, forgetting that there are more ways than one of securing business, and also that human nature is very easily duped by an appeal to the pocket and appearance. Nowhere has this rivalry for markets been keener than in the countries of the Far East, and, latterly, chiefly in Japan. Japan's enterprise and desire to obtain the most efficient and quickest machinery and appliances have drawn down upon her increased competition on the part of manufacturing nations. Naturally, America is the chief. From her geographical position, this must be so; and the regrettable fact to us is that her advance has been made at our expense. This can be shown in two figures. The total trade between this country and Japan in 1901 amounted to a trifle over £6,000,000; between America and Japan it was £11,500,000. True, our exports to that country were somewhat larger than those of America, but the latter is rapidly overtaking us.

Is the British Manufacturer to Lose His Footing in Japan?

Now let us give one or two extracts from a Blue-book published some time back, based on impressions and facts obtained on the spot. They have as much force to-day as when they were written. In regard to railway material, for instance, the writer says: "In Great Britain the leading firms order from designs made by their own staff engineers, and manufacturers have nothing to do with the preparation of designs. In America, on the contrary, there exists a system under which the companies first state their requirements as to strength, etc., and the manufacturers then send in competitive projects based on their own design," and "the leading firms of that country (America) are careful to be represented here. Not so with our English firms, only some of the most important of which have agents here" (Tokyo). As regards machinery, hardware, etc., the Americans, to secure the market, began by selling at any price, reaping the reward in growing quantities and an ultimate sure place in the market. For brevity, we will paraphrase some of the desiderata for a successfully competing nation in Japan. All catalogues should bear prices; co-operation between steamship and railway companies, thus ensuring considerable rebates; price quotations packed f.o.b. London or whatever port is shipped from; acceptance of trifling or even "out-of-date" orders for prospective larger ones; study Japanese preferences before home convenience and facilities; quick delivery of goods; do not allow all the risk to rest on the Japanese purchaser, and all the profit on the British supplier—American manufacturers have gained through this system at our expense; endeavour to extend the number and quantity of exports of Japanese goods to this country—this is a point which the representatives in Japan can easily and profitably keep an eye on, and, without much trouble or expense, benefit both countries.

Much might be written on each of these points, but we will let them speak for themselves. On one head we may, however, say a few words. It is in regard to shipping, a subject which may well be taken up by this journal. Everyone knows the anomalies existing in this branch of service. We quote now from the aforesaid Blue-book:—

It is to be noted that, while every year sees an increase in the number of Continental lines between Europe and Japan, British interests continue to be represented by the

same companies as before. So strong and extensive is the influence of the Conference in Great Britain that no outside steamer can obtain a cargo, even in spite of the fact that freights on iron from Great Britain are often 5s. per ton higher than from Antwerp, and from 5s. to 7s. 6d. per ton higher than from Hamburg. It might be well for those who are seeking the causes of the decline in British trade to direct their attention to this serious difference.

Such a state of affairs is bound to cripple any industry, and it is incomprehensible that in a country like Great Britain it should be permitted to exist.

THE returns so far to hand show that the General Election in Japan is likely to produce a temporary deadlock. One hundred and eighty members have been elected to the Seyju-kai—92 Progressives, 14 Imperialists, and 74 Independents. This already gives the Opposition 275 members, and there is much speculation as to what course the Cabinet will pursue in these circumstances, especially as the recent endeavours to effect a compromise have again proved unsuccessful. The Government is in a very difficult situation, and there is a feeling in certain quarters that Count Matsugata will be called upon to form a new Cabinet.

ONE of the natural and most valuable resources which remains undeveloped to anything approaching its fullest extent in Japan is the coal deposits, which are much more valuable than those of France or Belgium. There is a seam of coal running right through the Archipælago which as yet remains almost untouched, and Japan's output of the mineral only reaches between 7,000,000 and 8,000,000 tons, as compared with 30,000,000 tons in France, and 20,000,000 in Belgium. In Japan, coal for ships' use was included in the exports up to the year 1900, but excluded in 1901. The quantity of coal produced by Japan in the year ending June 30th, 1883, was 1,003,000, which represented the value of £441,000, averaging 8s. 9½d. per ton, and the quantity produced per head of the population was 0·03 tons. Ten years later, in 1893, the tables, taken in the same order as the preceding, were—production, 3,317,000; value, £798,000; quantity produced per head, 0·08; and in 1900 the production increased to 7,429,000; value, £2,492,000; and the quantity produced per head, 0·17. No information is obtainable showing the number of persons employed in coal-mining in Japan until 1889, when 21,440 persons were so engaged above and below ground. In 1900 this number had grown to 70,508. The quantity of coal produced per person was, in 1889, 104 tons; 1900, 105 tons. The quantity of coal imported into Japan in 1883 was 17,000 tons; in 1893, 7,000; in 1900, 99.000. Coal exported from Japan in 1883 amounted to only 390,000; in 1893, 1,505,000; and in 1901, 2,922,000; the excess of the quantities exported being—1883, 373,000 tons; 1893, 1,498,000; 1901, 2,809,000. The amount of coal retained for consumption was, in 1883, 630,000 tons; 1893, 1,819,000 tons; 1900, 4,178,000 tons. These latter figures show that the quantity of coal retained for consumption per head of the population of Japan was, in 1883, ·02 tons; 1893, 0·04 tons; 1900, ·09 tons. From the foregoing it will be seen that the external market for Japanese coal is growing. It extends as far as the Straits Settlements, where it meets in rivalry England, Australia, and India. In this connection the question naturally arises why, in view of this growing market, the output is of such comparative insignificance? This may, to an extent, be accounted for by the fact that the price of the coal is high, which arises through an inefficiency of labour and transportation difficulties. When these obstacles have been overcome, the output will not long remain at its present low figure, and, instead of mining 8,000,000 tons, some 50,000,000 tons per year may be the result.

The Output of Coal in Japan.

MR. C. KOIKE has arrived in London, and assumed the duties of third Secretary to the Imperial Japanese Legation. Mr. Koiké was an Attaché at this Legation two years ago, and was one-time secretary to Mr. Kato, the then Foreign Minister at Tokyo. Later, Mr. Koiké was transferred to Pekin, China, and from thence he was appointed to his present post. Mr. Koiké was accompanied to London by Mrs. Koiké.

A COMPANY has been formed in Japan for the purpose of manufacturing sheet glass under a subsidy from the Government. One of the conditions attaching to the grant of the subsidy—which amounts to 501,000 yen, to be spread over a period of four years—is that the company shall be under the direct control of the Minister of Agriculture and Commerce. It is also stipulated that an oven capable of producing 40,000 square metres per month is to be provided. During the second year of the operation of the subsidy, another oven is to be established, with suitable arrangements for keeping it at work. The entire operations are to be in the hands of a foreign expert, subject to the sanction of the Government authorities. During the period of subsidy, twelve foreign blowers, with an equal number of assistants, four stretchers, one cutter, and three firemen, are to be employed to train sixty-six native workmen, in addition to fifty to be admitted at the expense of the Agricultural and Commercial Department. The subsidy will be payable as follows:—First year, 59,200 yen; second year, 138,400 yen; third year, 138,400 yen; and 165,000 yen in the fourth year.

THE cultivation of sugar-cane in Japan—first introduced by the Dutch early in the seventeenth century—owing to climatic conditions, is confined almost entirely to the southern provinces. In 1898 the production of all sorts

of sugar amounted to no less than 53,572 tons. These figures do not include the output of 5,848 tons of the modern refineries which exist in Osaka, and which use foreign imported material; neither is the production of Taiwan (Formosa) taken into consideration, which in the year under notice produced 40,179 tons. Notwithstanding the very large amount of domestic sugar produced, Japan finds itself unable to cope with the increasing consumption consequent upon the adoption of other standards of living, such consumption having risen from 168,874 tons in 1890 to 253,895 tons in 1898. The two varieties of sugar which figure most prominently in the imports are brown (unrefined) sugar, from Java, Philippines, and China; and white refined sugar, from Germany, Austria, and Hong-kong. Austrian sugar finds the most favour, the imports from Austria in 1900 representing 22 per cent. of the total amount of refined sugar imported into Japan:—

Years	No. of Presses.	Raw Sugar.	Brown Sugar.	Black Sugar.	White Sugar.	Molasses.
		Kwan.*	Kwan.	Kwan.	Kwan.	Kwan.
1893	—	5,955,599	2,267,377	3,480,086	52,283	879,943
1894	15,517	7,282,629	1,979,655	3,851,927	538,803	749,574
1895	14,680	5,426,388	1,150,517	3,841,565	767,990	635,847
1896	15,040	6,608,149	756,708	4,858,802	418,635	522,668
1897	16,932	4,278,943	391,345	7,941,494	473,818	572,273
1898	16,397	3,866,478	352,439	9,521,605	533,087	341,865

A COMPANY with a capital of 20,000,000 yen is being formed in Japan with the object of establishing a sugar refinery in Taiwan (Formosa). Messrs. Samuel, Samuel, and Co., of Yokohama, and a Mr. Sugiama, are interested in the concern, and efforts will be made to get the Japanese Government to either grant a subsidy or guarantee a fixed dividend for a specified period.

THE exports of textiles from Germany to Japan during 1902 show a considerable advance as compared with the preceding year. The value of shirtings and printed cottons exported last year amounted to 3,964 yen, as against 1,280 yen for 1901; cotton, satin, and velvet, 105,140 yen, against 60,424 yen; woollens, 912,628 yen, against 643,295 yen; wool muslin, 590,115 yen, against 806,530 yen (the only exception to the general progress); zanella, 26,192 yen, against 18,423 yen; flannel, 375,556 yen, against 242,743 yen; and cloth, 465,382 yen, against 405,612 yen; the only decline being in wool muslin, the figures for which show a falling off of 216,415 yen—806,530 yen in 1901, against 590,115 yen last year.

THE question of harbour accommodation is engaging the serious attention of the Japanese Government, and Mr. Megata, Director of the Taxation Bureau of the Department of Finance, who recently made a tour of Europe and America, is taking energetic steps to ensure that the carrying out of many much-needed improvements. In his report, just issued, he points out that Britain, Germany, Russia, and the United States are all directing their attention to the expansion of their trade with Japan. Mr. Megata makes two general suggestions—firstly, that, in contradistinction to the idea of free ports, Japanese ports should be made "one-quarter free ports"—that is, that the existing port dues should be reduced to that extent; and, secondly, that no time should be lost in perfecting Japanese seaboard accommodation for trade purposes. Yokohama is the main sea-gate of the empire, and for purposes of foreign trade, especially that with America, no port in the country is more conveniently situated. It is, however, very much in need of development and fitting with all the latest appliances necessary for the trade of a large harbour. Kobe, which forms a kind of distributing centre or trade station between Europe and Asia, has for its sphere of commerce the points east of Hong-kong, in China, and Korea, and up to Vladivostock. Nagasaki is somewhat nearer to the ports of China and Korea, and also Vladivostock, and its magnificent harbour and ample coal supplies render it of great importance from a naval point of view. At Osaka a new harbour has been projected. At Yokohama and Kobe the Government has already begun the work of effecting necessary improvements, while at Nagasaki and Osaka the municipalities are undertaking the construction of harbours. With the Trans-Siberian railway in full working order, and the completion of the Panama Canal, Japan is certain to become a great intermediate station of international commerce; but she must hasten to make preparations and offer some inducements for the great traffic that will come her way. No time should, therefore, be lost, and the work of enlargement and improvement of the land and water tradal facilities at the open ports should be taken in hand immediately.

* 1 Kwan = 8.2817 lbs.

THE trade between Japan and the Philippines has made very rapid progress during the past few years, notwithstanding the extremely unsettled state of the latter. According to the latest returns, the imports from Japan for the eleven months ended November, 1901, amounted to no less than £199,261, as against £80,890 for 1900, or an increase of £118,371. The figures for 1902—which should be available shortly—however, will no doubt show a still more satisfactory result. Japan, on the other hand, imported from the Philippines merchandise to the value of £312,654 in 1901, as compared with £153,094 for the corresponding period in 1900, an increase of £159,560.

IT is with sincere regret that we have to announce the death of Count Otani Koson, late Chief Abbot of the Western Hon-gwan-ji, at Kyoto. Count Otani was a man of rare ability. It is owing to his untiring energy and

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thrift that the heavy debt which hung over the temple for so many years has been paid off, and the authorities placed in possession of a large amount of money. Count Otani also rendered signal service to his country at the time of the Restoration by presenting large sums of money towards the war fund, and lending his influence to advance the Imperial cause.

Mr. Francis Elgar, LL.D., F.R.S., Vice-President of the Institution of Naval Architects, and Vice-Chairman of the Japan Society's Council, has sailed for the Far East in the P. and O. s.s. "China," which he joined at Gibraltar on February 24th, accompanied by Mrs. Elgar. Mr. Elgar, who was, as is well known, Director of H.M. dockyards at the Admiralty, 1886 to 1892, acted as adviser upon naval construction to the Japan Government, 1879 to 1881. He is now about to re-visit the scenes of his former activity, which was productive of such excellent results, as evidenced by the thoroughly efficient practical organisation of the dockyards. Mr. Elgar was chief professional assistant to Sir E. J. Reed, M.P., the former Director of Naval Construction at the Admiralty, and subsequently the designer of the first large warships built in this country for Japan.

From 1883 to 1886, Mr. Elgar was professor of naval architecture and marine engineering in the University of Glasgow, which honoured him with the degree of LL.D. He is, and has been for some years, managing-director of, and naval architect to, the Fairfield Shipbuilding and Engineering Company of Govan, Glasgow.

The Society's learned and genial vice-chairman is sure to receive a most hearty welcome from the members of the Society residing in Japan, both natives and occidentals; and the officers of the Constructing Department of the I.J. Navy, as well as the directors of the various private shipbuilding yards, will no doubt be glad of the opportunity of personal intercourse with one of the most eminent naval architects of the day, the designer of the world-famous Cunarder ocean greyhounds, "Campania" and "Lucania."

There is an opening at present for manufacturers of wood-working machinery to get their plant introduced into Japan, one of the largest planing mills in the country having decided to extend its business by establishing a factory for turning out sashes, blinds, doors, etc., to meet the demand of the Indian market.

The New Year's number of the "Kokumon Shimbun," or "Nation's Friend," which reached us by the last mail, brings home to one very forcibly what has been accomplished by the vernacular press in Japan during recent years. This number, consisting of some forty pages, profusely illustrated, contains a number of poems and New Year greetings such as are to be found in Jewish journals at a similar period. It also contains a review of the somewhat complicated political situation in Japan up to the dissolution of the House of Representatives at the end of December; telegraphic news dealing with matters from all quarters of the world; in fact, the "Kokumon Shimbun" endeavours to keep its readers abreast of the current of events. A great feature of the journal is its "Far Eastern," or international, department. The object of this section—generally printed in English, or always in Roman characters—is to facilitate the interchange of views between Europeans and Japanese, and to familiarise the latter with the trend of foreign affairs and foreign opinion. Short comments are made day by day on current topics, both Japanese and foreign, and from time to time weightier subjects are dealt with at great length. In glancing through some of the articles not printed in English, however, we find one by Mr. Tokutoni on "Reading History," which certainly strikes us as being not only unfriendly, but decidedly bad taste on the part of so able a writer as the editor of the "Kokumon Shimbun." After a general misrepresentation of history, Mr. Tokutoni very generously remarks that "*the English are the children of the pirates, the Russians the descendants of forest robbers, and neither can forsake to this date their origin.*" What would Mr. Tokutoni say if we were to add that the inhabitants of Japan had their origin in the picaroons from the Southern Isles? No; Mr. Tokutoni is only joking. Perhaps some day he will visit the "pirates" in their snug little cove, and if he does, we can assure him of a cordial welcome. In the meantime, we extend a hearty greeting to the "Kokumon Shimbun" and Mr. Tokutoni for the very excellent and praiseworthy number before us.

During the thirty-five years of the Meiji era—1868-1903—four schools of journalistic thought have sprung up in Japan, literature being represented by the schools

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of the two masters, Fukuzawa and Fukuchi. The latter, known as the "Goso" style, is presided over by, or has for its head, Baron Ito Miyoji, formerly a private secretary to Marquis Ito. The establishment of commercial journalism in Japan may be attributed to the late Mr. Fukuzawa, a name indelibly associated with the educational movement in Japan. The other schools are the "National," or "Nippon," which has for its motto, "Japan for the Japanese," and the "Minyu," or "International," which aims at making Japan more thoroughly known to the world. The "Nippon" school has done much towards the advancement of Japan, and, in spite of the many struggles with official circles, has become a power amongst the cultured classes. The "Minyu" section is represented by the "Kokumon Shimbun," and edited by Mr. Tokutoni.

Once a tutor in some remote village school, Mr. Tokutoni has rapidly established himself in the front rank of metropolitan journalism. His rapid rise is attributable to two reasons—a work entitled "Japan in the Future," which has run through some twenty large editions; and an exoteric style, coupled with an excessive use of adjectives. Mr. Tokutoni has many adherents throughout Japan, and many of his pupils have attained distinction. As an instance, we may mention Mr. Takekoshi, a well-known author, and sometimes called the Macaulay of Japan. So closely does the work of Mr. Takekoshi compare with that of his master that his unsigned contributions have repeatedly been taken as the work of Mr. Takutoni..

By the new route which was opened on the 18th inst., Nagasaki and Shanghai can now be reached from Paris in eighteen days. On arrival at Daly, passengers travelling by the Chinese Eastern Express are conveyed in steamers belonging to that company to Shanghai and Nagasaki.

Mr. Arthur Diósy, F.R.G.S., Chairman of Council, Japan Society, sailed from London on February 27th, accompanied by Miss Diósy, in the P. and O. s.s. "Arabia," for Marseilles, calling at Gibraltar on the way. From Marseilles, Mr. and Miss Diósy proceed to Tunis and Malta, where they will make a short stay. From Malta they will go to Sicily to join Mrs. Diósy at Palermo or Taormina. Mr. Diósy will return thence in time for the Lord Mayor's and Lady Mayoress's reception at the Mansion House on April 2nd.

In the course of a conversation with a representative of the "Anglo-Japanese Gazette," Mr. A. E. Brice, the assistant-secretary of the Japan Society, said that the Chairman of Council took the trip very reluctantly; but Mr. Diósy acted under strict medical orders, a sea voyage having become imperatively necessary for reasons of health, owing to the stress of constant travelling and lecturing during the past winter, in the course of which Mr. Diósy had spoken on Japanese matters before nearly 30,000 people throughout Great Britain.

We regret having to announce the death of Mr. Yeates Edwards, which took place since our last issue, at his residence, 29, Hampstead Hill Gardens. Mr. Edwards was a member of Council, Japan Society, London, and was to have read a paper before the Society on "Japanese Architecture."

After the very severe censure which Baron Iwasaki has delivered in connection with the negotiations which have been pending between Sir Malcolm McEacharn and the Tokyo Electric Railway Company, it seems uncertain whether the company will be able to carry out its efforts to a successful issue. The plan was to increase the capital of the concern—which should not be confused with the Tokyo Electric Tramway Company—from 800,000 yen to 6,000,000 yen; but the Australian syndicate which Sir M. McEacharn represents is reported to be dissatisfied with the conditions imposed on the company by the Government in granting the new charter.

The Foreign Trade of Taiwan (Formosa) for January, 1903, with comparison to corresponding period of the previous year.

	January.		Increase.
	1903.	1902.	
	Yen.	*Yen.*	*Yen.*
Exports	432,898	452,847	19,949
Imports	803,703	757,582	46,121
Total	1,236,601	1,210,429	26,172
Excess of exports ...	...	...	...
„ „ imports...	370,805	304,735	...
Exports, specie and bullion	157,318	214,662	57,344
Imports, specie and bullion	36,056	14,884	21,172
Excess of exports ...	121,262	199,778	...

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The Kodama Library.

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LIEUT-GENERAL BARON KODAMA, GOVERNOR-GENERAL OF TAIWAN (FORMOSA).

Fukkawa. Situate midway between these two places is Tokuyama, memorable as the site of the first concentration camp of the Tycoon expedition to the Mori Diamiate. It is here, in his native town, midst such delightful environment, that Baron Kodama has recently established a public library. The ground on which the building stands formed, until forty years ago, part of Baron Kodama's ancestral estate.

In the year 1860, Jirohiko—the Baron's elder brother, a noted loyalist—was assassinated, the result being that the land changed hands—or, to be more correct, the land was first of all confiscated, and afterwards given to a stranger. From that time it remained in the new owner's possession, but in 1899 Baron Kodama succeeded, after no small sacrifice, in getting it again for his family. This meant a practical collapse of the Kodama family, and Lieut.-General Baron Kodama, then plain Mr. Gentaro Kodama, had to start life at the lowest rung of the ladder. These circumstances, as may well be imagined, caused the Baron to cherish a desire of recovering the lost family estate so soon as his star should begin to ascend. Although distinguished as a soldier and a statesman, Baron Kodama has never been what may be termed a money-maker. At the time of the death of the late Empress Dowager, in 1898, his lordship held the post of Vice-Minister of War, and by virtue of his position was appointed one of the funeral Commissioners. At the close of the Court mourning he received a cash grant from the Imperial Household, and the money so obtained, with some other sums, enabled him to effect the long-desired purchase. This he was able to do towards the end of last year, and an arrangement has since been arrived at whereby the library is to permanently remain in possession of the town of Tokuyama. The buildings are by no means of a pretentious character, but they contain a well-selected assortment of books, and we feel certain that the Trustees would welcome any gifts of English works that

BARONESS KODAMA.

readers of the "Gazette" may care to send. Baron Kodama's endeavours in this matter are certainly to be commended, and are a worthy object-lesson in the direction of popular education which might well be followed by many men in Japan far more wealthy than Baron Kodama. For the portraits which accompany this article we are indebted to the courtesy of Baron Kodama's son, Mr. H. Kodama, the Financial Representative of the Japanese Government in London.

THE PETROLEUM INDUSTRY IN JAPAN.

II.

THE production of petroleum from the fields of Japan has made very great progress during the past few years, and the exploitation of new fields has been prosecuted with considerable vigour. The enterprise of the people of Japan, and their intentions to be abreast of latest methods and appliances, is seen in the petroleum as in other industries, and also exhibited by the despatch of certain experienced Japanese oil men to study the methods of production and transport that obtain in the oil-fields of America and Russia. In addition to this, the Government passed a Bill authorising the carrying out of a survey of the entire oil territory, under the auspices of the Geological Survey of Tokyo, for which purpose the Government granted a sum of 10,000 yen for the work for the year.

The Americans were soon impressed with the openings afforded for boring machinery, for tanks, pumps,

OIL WELLS ON THE COAST OF JAPAN.

engines, etc., in the Japanese petroleum industry, and sent out experienced men to initiate the drillers in the use of the American methods, and also to secure the supply of the various engineering requirements of the oil-fields. America enjoys a great advantage from its relative position to Japan in this connection. Great Britain should have made an effort to obtain some of this trade, but we fear that little of it comes this way. Our rivals also have another great advantage, which is derived from the fact that the Standard Oil Company has considerable interests in the Japanese fields. It was reported that this American company intended to lease the Echigo field, with a view to the ultimate purchase, and to starting a refinery in Naoetsu. How far this was correct we cannot say; but if it was true, there can be little doubt that the venture should be a profitable one, both for the Standard Company and for Japan itself. At the present time the consumption of oil in Japan is estimated at over 60,000,000 gallons, only about one-third of which is provided by the home wells. There is, therefore, ample scope for the development of the Japanese fields, and this development is going rapidly forward.

The oil-fields of Japan extend from Torniosa in the south to Hokkaido in the north, oil being found in nearly every province. The province of Echigo yields the largest proportion—practically the bulk—of the oil, and till a couple of years ago was the only field worked. There are numerous descriptions of petroleum, but analysis has proved that Japanese crude oil is more similar to Russian and Californian than to Pennsylvanian. This means that the oil is of a heavier character, and is not quite so productive of the higher-grade products as is the well-known American crude, or is not capable of yielding so large a quantity of illuminating oils. The oil is, however, variable, and may be taken to provide 50 per cent. of burning oil.

Oil is found chiefly in the upper eocene of the tertiary formation, although it is found in small quantities in the diluvium and alluvium. The oil is contained in shale and sandstone between impervious layers under pressure, so that it escapes sometimes under considerable force. The wells vary in depth from 300 ft. to 2,000 ft.

The territory now developed includes the Amaze field, on the western coast, which comprises the Amaze, the Miyagawa, and Gendoji wells; the Nagaoka field, which comprises the Hirei, Kitatani, and Katsudo wells; the Miitsu field, and the Hiyama field.

A large number of small refineries have been started, the total capacity being more than the daily production of petroleum, as is shown below:—

	No. of Refineries.	Barrels.
Amazu	18	870
Kashiwazaki...	30	1,384
Nagaoka	38	1,510
Niitsu	4	250
Other places...	5	200
Totals	95	4,214

The price of refined oils in Japan of home origin stands at about 7s. per 10 gallons, which is slightly cheaper than the best of the American oils ("Chester" brand), though the "Anchor" brand comes out at about 5s. 8d. per 10 gallons, and Russian oils come out at about the price of the latter quality of American.

In regard to the refineries of Japan, however, only one may be considered as properly equipped. This is the refinery belonging to the International Oil Company at Naoetsu. This company is controlled by the Standard Oil Company of America, and the refinery has been built by the Americans, and is managed by them. The refinery is capable of treating 30,000 poods of crude oil per day, but it has never yet been supplied with more than 9,000 to 10,000 poods. The capital of the company is about 10,000,000 yen, and is chiefly in the hands of Americans, only a small portion of it being held by Japanese. The purchase of crude oil from other fields is proceeding very slowly, and the refinery is constantly short of oil. The company have their own fields on the island of Jesso, but the trial boring there has not yet given any satisfactory results.

At the village of Nagaoka there is the small refinery of the Japan Oil Company, and another belonging to the Nagaoka Oil Company. The former have their own oil-fields at about 10 versts from the refinery, and treat about 2,400 poods of crude oil daily. The refinery is

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arranged in a very primitive manner, and consists of a collection of old materials, many of the tanks being wooden ones; but the refinery is being radically improved. Besides the above, there are in existence in Japan about forty small refineries, which are worked by Japanese in a primitive manner, as, for instance, the crude oil is brought to them in tin cases on the backs of coolies.

The Japan Oil Company, which is another enterprising concern, has taken up the question of the provision of pipe lines, and, from statements which were made by Professor Takano some time back, the company intended laying down 5-in. and 6-in. lines between the Echigo fields and Tokyo, a distance of about 200 miles, and the cost of which was estimated at about £400,000. The materials were to be supplied by the Oil Well Supply Company, of Pittsburgh. In addition to this, however, there are already 150 miles of pipe lines in existence, owned by five different companies.

Although the Echigo field is the most important, the Kamada and Nagamine fields, discovered in the year 1899, considerably increased the total output of the country, and Japan's aggregate yield of oil is probably not far short of 5,000,000 barrels per annum at the present time.

The question of liquid fuel is also an important one for Japan, and already a number of locomotives in Echigo are using it for fuel purposes. Engineering works and other industrial establishments have also taken it up to some extent. The heavy oil employed for this purpose is brought from Miitsu in tank waggons.

It will thus be seen that the oil industry of Japan has yet great developing powers within it, and there can be little doubt that a vast amount of activity will prevail there during the next few years. This means the requirement of large supplies of plant and machinery, and British manufacturers of pipes, pumps, engines, and boring tools, and accessories, should be on the alert and see that the whole of what will be a vast trade does not wholly go to America. S. O.

The following have been elected members of the Japan Society:—Messrs. H. T. Bretton, M.J.I.; W. Briggs, LL.D., F.R.A.S., etc., etc.; J. K. Davies, LL.D.; J. H. Longford, H.B.M. Consul, Nagasaki (retired); W. F. Mitchell, E. Platt, J.P., J. D. Renton, Lieut. J. Denholm, and Lieut. S. Furukawa, I.J.N. The new lady members are Miss A. Evans, Miss A. Durand Evans, and Mrs. W. Jardine. Messrs. G. A. Lowry, M.E., and A. G. Moslé, and Mrs. E. Van Hoose have been elected corresponding members.

EXPORTS FROM THE UNITED KINGDOM TO JAPAN—FEBRUARY.

Description.	February.		Totals to Date.	
	1902.	1903.	1902.	1903.
	£	£	£	£
Iron—Angle, rod, etc.	3,994	—	9,208	—
Do. Bars, wrought	—	3,185	—	7,766
Do. Cast and wrought, unenumerated	8,754	—	22,152	—
Do. Machinery (Textile) ...	5,340	4,246	16,344	10,015
Do. and steel sheets and boiler plates	359	—	359	—
Do. Wrought, unenumerated	—	2,244	—	2,905
Do. or steel hoops	420	—	548	—
Do. and steel for railroads ...	45	—	7,103	—
Lead—Pig	3,968	2,489	5,541	5,833
Cotton yarn—Grey twist ...	8,790	16,525	23,044	29,081
Do. do. Bleached and dyed	—	552	—	644
Do. Piece goods — Unbleached	11,276	5,692	34,678	13,699
Do. do. Bleached ...	13,928	12,452	28,812	32,542
Do. do. Printed ..	11,586	12,072	24,945	33,107
Do. do. Manufactured or dyed	26,043	32,725	60,370	67,151
Woollen goods	5,850	6,529	13,858	27,230
Worsted goods	8,565	9,735	19,330	36,726

EXPORTS FROM THE UNITED STATES TO JAPAN.—NOVEMBER.

	November.		Eleven months ending November.	
	1901.	1902.	1901.	1902.
	£	£	£	£
Books and printed matter	605	1,490	6,300	11,979
Cars—Passenger, freight, etc.	17	8,757	1,236	26,336
Clocks, watches, etc. ...	1,009	3,292	31,170	29,462
Cotton, unmanufactured	220,703	229,854	1,171,135	1,554,147
Do., manufactured ...	577	—	9,978	3,507
Cycles and parts	984	3,341	40,323	74,905
Electrical machinery ...	564	2,918	38,162	67,273
Furniture	315	297	4,354	4,765
Hardware	523	303	18,592	20,784
Hides, skins, etc. ...	—	—	1,374	2,503
Leather	4,055	1,923	38,200	40,508
Locomotives	—	33,090	54,997	55,320
Naval stores, rosin, tar, etc.	837	118	10,026	4,945
Paper, printing, etc. ...	3,273	4,047	34,927	36,419
Scientific instruments and apparatus	1,623	4,522	78,003	50,808
Sewing machines... ...	195	215	4,853	4,121
Steel	—	—	105,349	439
Typewriting machines ...	131	567	2,633	2,652

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FINANCIAL NOTES.

THE directors of Messrs. Beyer, Peacock, and Co. (1902), Limited, are to be congratulated on the very satisfactory results shown in their report for the first financial year, which will be submitted to the shareholders at the annual general meeting, to be held on the 25th inst. The profits earned by the firm during the period covered by the report—viz., from January 1st, 1902, to December 31st last, amounted to £105,695 9s. 5d. Interest on the Four and a-Half per Cent. Redeemable Debenture Stock absorbs £7,997 10s. 2d. Other expenses, including reserve for depreciation, income-tax, interest to vendors, office expenses, etc., etc., account for £22,330 14s. 9d., leaving a net profit of £77,442 17s. 2d. Out of this sum, £28,715 11s. 3d. is credited to capital reserve, being profit earned before the company was incorporated. After deducting £11,532 8s. 4d. for interest on the purchase price, there remains a balance to be credited to capital of £17,183 2s. 11d., which amount it is proposed to place to capital reserve account, the remaining balance available for dividend in respect of preference shares and ordinary shares being £48,727 5s. 11d. A dividend of 5½ per cent. per annum on the preference shares, amounting to £9,629 2s. 1d. net, has been paid. It is now proposed to declare a dividend on the ordinary shares at the rate of 10 per cent. per annum, which will absorb £11,917 15s. It is further proposed to write off the whole of the preliminary expenses, amounting to £7,131 3s. 8d., leaving a balance of £20,049 5s. 2d. to be carried forward.

THE directors of the Yokohama Specie Bank, Limited, have declared a dividend at the rate of 12 per cent. per annum for the half-year ended December 31st last. The sum of 350,000 yen has been placed to reserve account, with 505,000 yen carried forward. From this it would appear that the profits have not been so good as previously, for 12 per cent. compares with 13 per cent. a year ago. At the present time, however, 350,000 yen is to be carried to the reserve, as against 200,000 yen a year ago; whilst the amount carried forward is 505,000 yen, against 544,000 yen. The balance, after paying a 12 per cent. dividend, will therefore be 111,000 yen more than was left over after paying 13 per cent. last year.

THE report of the Hongkong and Shanghai Banking Corporation for the past half-year shows that the net profits amounted to $4,221,595, including a sum of $1,437,740 brought forward from last account. The directors recommend the transfer of $750,000 from the profit and loss account to credit of silver reserve fund, which fund will then stand at $5,500,000. After making this transfer and deducting remuneration to directors, there remains for appropriation $3,456,525, out of which the directors recommend the payment of a dividend of £1 10s. per share, which at 4s. 6d. will absorb $533,333, and a bonus of 10s. per share, absorbing $177,777. The balance, $1,435,472, to be carried to new profit and loss account.

JAPANESE RAILWAYS AND ENGLISH CAPITAL.

AMONG the many articles, discussions, and reviews that the able editor of the "Kobe Chronicle" gives in his weekly edition—the "Japan Chronicle"—matters relating to the railways of Japan is of especial interest. This is because Japanese railway owners and European owners of capital have been looking at each other, and have been considering whether or no they could join hands in commercial friendship. It is understood that there has been some eagerness on Japan's part, and considerable shyness on the part of the European and the American. Not long ago Japan was shy, and such eagerness as existed was on the part of the capitalist. Japan then had in mind India and Egypt, and sought to work out her own salvation. She therefore made it practically impossible for foreign capitalists to interest themselves financially in her railways or in her mines. Now she would seem to think a less timorous policy might be to her advantage, and some of the Chambers of Commerce in Japan are praying the Government that foreigners shall be allowed to come in on a fair and even footing with natives. Foreign capitalists could do much with mines and railways in Japan were it not for legal restrictions. The natural conditions that make for success are ready for them, but as long as they cannot obtain adequate security for money, they will not lend. If a foreigner cannot hold a mortgage in Japan that would enable him to foreclose and enter into possession, he will look elsewhere to invest.

Japan has done wonderful things with limited resources, and she may be trusted to do much more; but she must learn to trust others, and must earn a name for trustworthiness herself.

In the matter of railways, Japan had nothing at all thirty-four years ago. In 1869 began the building of the Government railway from Yokohama to Shimbashi (Newbridge) Station in Tokyo, the capital of the empire, which until this date had the name of Yedo. This was in the days of feudalism, military retainers, and lords, or daimiyos, who practically owned their provinces; and affairs were in somewhat the same state as in Europe four hundred years ago. In this year also the Mikado left Kyoto, or Saikyo, the Western capital, and came to Yedo to live. This was the occasion of the changing of the name to Tokyo, or Eastern capital.

These eighteen miles of railway were ready for traffic in 1872, and the Government opened the line with ceremony. All the engineering work was entirely in the hands of Englishmen, and safety rather than speed had been the aim of the builders. There was no "Flying Dutchman" among the make-ups that went from the capital to the chief seaport in these early days, as may be inferred from the fact that for some little time the Tokaido (eastern sea-road) jin-riki-sha men formed a relay association, and ran in active competition with the railway, forcing it to burn coals at a rate that made the Scotch engineers on the locomotives weep sooty tears. Coals saved might mean money in an engineer's pocket.

With these early trains, too, it was a difficult achievement to get them off on time. "On time" was a phrase

that had no existence in the Japanese mind. Translated literally, it would have no meaning. It is doubtful if even now the average Japanese has an adequate comprehension of the significance of these two words. If he does understand, he owes it to the railways in some measure. It was part of their work to instruct the public as to time—to give it an idea of a thing about which it had never thought before. No one thought of hurrying for a train, because the idea that the train might not wait for them did not enter anyone's head. Each individual proceeded leisurely to the station, and if he did not catch his train, he took the next or did not go—or else he hired a jin-riki-sha.

Another bother in early days was one the guards appreciated particularly. It was due to the universal custom in Japan of leaving one's footgear at the door when entering a house. To the Japanese mind in the seventies, a railway carriage was a house, and men and women would drop off their geta, or wooden clogs, as they stepped aboard the train. The train in pulling out would have left the clogs behind but for the guards' energy in collecting them. It was sad to see the wonderment on ladies' faces when, on reaching the station at which they were to alight, they looked out of the doorway of the carriage for their geta, and found they were not there. But the guard would explain that they were in the luggage van. So that trains could not but make haste slowly.

It took years to develop a competent staff of employees, too, for promptness was an idea that had to be worked up from nothing in the employee's mind, as in the mind of the public. Then, too, the railway idea progressed slowly because it did not appeal to the pocket of private individuals with capital to invest. These wished the Government to do the work, but Government already had everything else to do—army and navy, education, judiciary, finance, agriculture, mines, post and telegraph, treaty revision, and what not. It could not conduct the railway work too. It was not until 1888, that private individuals found enough courage, energy, and understanding to organise a company—the Nippon Tetsudo Kwaisha (Japan Iron-road Company). And then the organisers would not put their money in until the Imperial Treasury guaranteed 8 per cent. on the paid-up capital for fifteen years.

The N.T.K. eventually built a line through from Tokyo east and north up to Aomori, on Aomori Bay, where considerable business is done in fish and furs. This was part of the general plan of railways that the Imperial Government approved. Government itself built down west along the middle part of Hondo to Kobe, Osaka, and Kyoto; and the Sanyo, or inland sea line, undertook to go on with the scheme from Kyoto to Shimonoseki.

The Kiushu Railway Company has gone on from the straits at Shimonoseki South well towards Kogoshima, in and around Hokaido. There are a number of short lines running out from the eastern and the western capitals —more in the neighbourhood of Saikyo than of Tokyo— and from each of these centres lines go over to the west coast—from Tokyo to Notetsu, and from Saikyo to Noto and to Kanazawa. Altogether there are now about 4,000 miles of railway, all narrow gauge (3 ft. 6 in.), and almost everywhere single track. The total of double track is less than 250 miles. Government has spent about £7,000,000 for, say, 1,000 miles, and private companies £19,000,000 for upwards of 3,000 miles. The Government has had the more difficult work to do, and has paid a higher rate per mile. The total number of passengers carried in a year may be put at 100,000,000, and the goods at 20,000,000 tons. The working expenses are, say, 50 per cent. of the gross earnings, and the average profit on railway investments is about 7 per cent. There are about 100 private railway companies in Japan, which are now undertaking new roads of a total length of 1,000, and the Government has in hand some 1,500 miles more. For the thousand miles the people propose to pay £6,000,000, and the Government has set aside £11,500,000 for its railway schemes.

Long journeys by rail in Japan are not the country's chief attraction. The trains are slow, and the carriages are not comfortable, though there are dining-cars and sleeping-cars between Kobe and Yokohama. Often there is crowding even if you go first-class, for the third-class accommodation may give out. First-class travelling in Japan is cheaper than third-class in England, but nevertheless 90 per cent. of the passengers go third. They would like to go fourth. Third-class carriages are only boxes with cross-benches—cushions may be had for a farthing. Neither are the carriages heated, and usually only Japanese food can be had at stations. In third-class carriages there are white bands across the window-panes to warn the passengers not to try to thrust their heads through the glass.

Accommodations along the lines are improving from the foreign standpoint, though to the person used to native ways there is considerable comfort in native inns. The Sanyo Company has opened a hotel at Shimonoseki —has spent £4,000 on such modern equipments as electric lights, baths, billiards, grill, and smoking-room. Foreigners here have a field that with capital they might develop.

All the work, except making the locomotives, can be done well in Japan now. The Japanese have built a locomotive, under a Scotchman's supervision, but it cost too much. Japan buys locomotives in England and in America.

The character of villages along railway routes has changed since the trains have come. Consequently, along projected routes the villagers, taking warning from the result, look to the coming of a railway as improbably a blessing, and put prices up to the limit.

B.

A REPORT just received from the Japanese Consul at Fusan states that the construction of the Seoul-Fusan Railway from Eitoho to Meikakudo is completed. The section between Anyo and Shin-i, 22½ miles, is expected to be completed in June next. There are 3,350 hands working on the railway.

BOOKS RECEIVED.

"Around the World Through Japan." By Walter Del Mar. (*A. and S. Black.*) 18s. net.

"The Sailor Tramp." By Bart Kennedy. (*Newnes' Cheap Edition of Popular Novels.*) 6d.

Summary Table Showing the Trade of Japan for January, 1903, as compared with the corresponding period in 1902.

EXPORTS.		January, 1903.	January, 1902.	1903.	1902.	Increase or Decrease (—).
		Yen	*Yen*	*Yen*	*Yen*	*Yen.*
Silk tissues, habutae	Manufactured Articles.	1,825,167	2 286,039	..	...	— 460,872
„ „ kaiki		206,022	312 353	...	.	— 106,331
Silk handkerchiefs... ...		146,367	77,346	...	...	69,021
Cotton tissues		317,692	346.988	...	...	— 29,296
Carpets, hemp or cotton ...		64,673	18 648	...	...	46,025
Matches		325,411	269,744	...	..	55,667
Mats and mattings, Hanagoza		501,714	536,533	...	...	— 34,8 9
Porcelain and earthenware		158,217	112,719	..	...	45,498
Lacquered ware		38,571	41,533	...	...	— 2.962
Umbrellas, European ...		60,989	50,921	...	..	10,068
Others		1,201,059	949,947	...	...	251,112
Silk, raw	Manufactured Articles, Half Wrought.	7,198,727	6.742 772	...	...	455,955
„ noshi and waste ...		695,074	561,215	...	...	133,859
Cotton yarns		1,278,078	1 469,640	...	...	— 191,562
Straw-plaits...		368,664	231,379	...	...	137,285
Tea		79,334	86,102	...	..	— 6,768
Camphor		237,046	161,824	...	...	75,222
Kanten or colle vegetable		58,902	102,721	...	...	— 43,819
Others		638,862	500,446	...	...	138,416
Coal	Raw Products.	1,564,044	1,780,065	...	..	— 216,021
Rice		482,915	1,598,579	...	...	— 1 115.664
Cuttle-fish		126,641	196,050	...	...	— 69.409
Sea-weeds and cut sea-weeds		59,871	54,799	...	...	5 072
Mushroom, shiitake ...		76,697	5 .090	...	...	24 607
Copper, coarse and refined		1,824,233	665.697	...	...	1,158,536
Fish oil		42,891	92 203	...	...	— 49.312
Vegetable wax		88,989	39,231	...	...	49,758
Others		715,526	719,743	...	...	— 4,217
Total Exports...		20,382,376	20,057,327	...	...	325.049
IMPORTS.		*Yen.*	*Yen*	*Yen*	*Yen*	*Yen*
Cotton raw	Group I.	7,694,622	6,946,390	...	...	748.232
Cotton yarns		32,244	363,311	...	..	— 331.067
Wool		282,399	204,711	...	...	77.688
Iron nails		123,578	90,158	...	...	33 420
Rail		116,822	7,662	...	...	109.160
Iron, bar and rod		181,185	266 564	...	...	— 85,379
Other iron and steel ...		564,560	643,537	...	.	— 78.977
Indigo, dry		275,531	196,370	...	...	79,169
Paper (except Chinese paper)		304,751	169,813	..	...	134,938
Leather, sole and other ...		91,848	130,845	...	...	— 38,997
Machinery and engines ...		538,821	890,307	...	...	— 351,486
Locomotive engines, etc. ...		87,147	181,719	...	...	— 94,572
Steam vessels		1,600	117,156	...	...	— 115,556
Others		2,854,893	2,838,732	..	..	16,161
Mousseline de laine ...	Group II.	269,039	170,677	...	...	98,362
Woollen and worsted cloths		117,295	61,650	...	...	55,645
Italian cloths		81,852	61,272	...	...	20,580
Flannels		3,480	11,768	...	...	— 8,288
Shirtings and cotton prints		324,131	667,269	...	...	— 343,138
Cotton satins and cotton velvets		187,186	197,787	...	...	— 10,601
Sugar, brown and white ...		1,745,490	625,839	...	...	1,119,651
Watches		21,588	18,573	...	...	3,015
Others		1,313,250	798,090	...	...	515,160
Rice	Group III.	3,270,934	405,054	...	...	2,865,880
Beans, peas, and pulse ...		1,008,454	268,050	...	...	740,404
Kerosene oil		1,150,662	572,220	...	...	578,442
Oil-cake		191,496	23,527	...	...	167,969
Others		1,541,642	1,574,914	...	...	— 33,272
Total imports		24,376,500	18,503,965	...	...	5,872,535
Total of exports and imports		44,758,876	38,561,292	...	...	6,197,584
Excess of exports		...	1,553,362	...	...	..
„ imports		3,994,124	...	...	...	...

NEW RULES RELATING TO NAVIGATION IN JAPANESE WATERS.

THE Board of Navigation in Japan have adopted a uniform system of buoyage, which will be established in all Japanese waters. The buoys—principally conical in shape—will be characterised by colour and by the form of topmark. The term "starboard hand" means the right-hand side approaching from seaward; the term "port hand" means the left-hand side approaching from seaward. Concerning the Inland Sea and other straits, the term "approaching from seaward" refers to an approach to an arbitrary point in the strait, or sea, which is termed the "head waters," and which point will be fully described in the "Sailing Directions for Japan and the Adjacent Seas," now in course of preparation. The term "outer end of middle ground" is given to the buoys moored at the seaward extremity of middle grounds; to those at the inshore extremity, the term "inner end of middle ground" is applied. The buoys or beacons marking shoals of small extent are named isolated danger buoys or beacons. Starboard hand buoys will be conical, painted red, and surmounted by a red cone, base downwards. Buoys on the port hand will be conical, painted black, and surmounted by a cylindrical topmark. The outer end of a middle ground will in all cases be marked by a conical buoy, painted in black and white horizontal bands, surmounted by a diamond as a topmark; and the inner end of a middle ground by a conical buoy, painted in red and white horizontal bands, surmounted by two cones, points together, in the form of an hour-glass, as a topmark. Isolated dangers which may be passed on either side are marked either by a conical buoy, a spar buoy, or a cylindrical beacon, but always painted in red and black horizontal bands, and surmounted by a red ball as a topmark. Wrecks are to be marked by a bell-shaped buoy, painted green.

JAPANESE DOGS IN ENGLAND.

MANY who have kept English toy spaniels for years declare that they can in no way compete with the little Orientals for intelligence and affection. They are lively and merry, though not, in many cases, without a spice of the devil in the way of temper—which makes them all the more amusing and piquant.

The following are the points and description of the Japanese spaniel as drawn up by their own special club:—

Head and Neck.—Head should be large for size of animal, with a very broad skull. The neck should be short and moderately thick.

Eyes.—Eyes should be large, dark, lustrous, rather prominent, and set wide apart.

Muzzle.—Muzzle must be strong and wide, very short from eyes to nose. The upper jaw should look slightly turned up between the eyes. The lower jaw should also be turned up, or "finished," so as to meet it.

Nose.—Very short in the muzzle part. The end, or nose proper, should be wide, with open nostrils, and should be the colour of the dog's markings—*i.e.*, black in black-marked dogs, and red or deep flesh-colour in red or lemon-marked dogs; but a black nose in a red or lemon-marked dog is not a disqualification.

Ears.—Should be small and V-shaped, set wide apart and high on the head, and carried slightly forward.

Body.—The body should be very compact and squarely built, with a short back, rather wide chest, and of generally cobby shape. The body and legs should really go into a square—*i.e.*, the length of the dog should be about its height. The dog should rival the pug in this, and also in its carriage, which should be particularly smart.

Legs.—The bones of the legs should be fine, giving a slender appearance; they should be well feathered.

Feet.—These should be small and feathered; the tufts should not increase the width of the foot, but only its length.

Tail.—This must be carried in a tight curl over the back; it should be profusely feathered, so as to give the appearance of a beautiful "plume" on the animal's back.

SOME JAPANESE SPANIELS.
From a painting by Miss F. C. Fairman.

Coat.—The coat ought to be profuse, long, straight, rather silky; it should be absolutely free from wave or curl, and not lie too flat, but have a tendency to stand out, especially at the neck, so as to give a thick mane or ruff, which, with profuse feathering on thighs and tail, give a very showy appearance.

Colour.—These dogs should be parti-coloured—either black and white, red and white, or lemon and white. The ground colour should be a pure pearly white, and the other colour be in large, evenly distributed patches over the body and over the ears and cheeks.

Size.—The size ranges from the tiny sleeve dog of sometimes 1 lb. in weight to the more ordinary dog of 8 lbs. to 12 lbs. Whenever classes are divided by weight, it is desirable to have them over and under 7 lbs. Smallness of size is a point in a dog's favour, but it should not outweigh other typical qualifications. In the numerical scale of points, size, colour and markings, coat, head and neck, also eyes, each value 10, while the tail values 15.

L. SECCOMBE.

THE third-class cruiser "Otowa," 2,000 tons, now under construction at the Yokosuka dockyards, is expected to be ready for launching in October next.

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PUBLISHERS AND BOOKSELLERS IN JAPAN.

EXTREMELY interesting and instructive was the paper on the present state of the publishing and bookselling business in Japan which Mr. Teisabaro Yamada, M.S.F.J., read before a crowded meeting of the members of the Societié Française et Japonaise at the Society's Hall, 42, Rue de Grenelle, Paris. Mr. Yamada, who is a director of the Imperial Publishing Company, Tokyo, prefaced his remarks by explaining that as this was the first occasion that he had had the pleasure of addressing an European audience he craved the indulgence of those present for any linguistic or grammatical errors that he might be guilty of.

After a brief retrospect of the conditions of the printing business in Japan in the days of feudalism and the many obstacles, such as the use of wooden type joined with hand-printing, that helped to retard its development, Mr. Yamada referred to the great changes which had been brought about by the opening of Japan to foreigners, and also by the influence exercised by Japanese after returning from travels through Europe and America. Elementary schools were established not only in the large centres, but also in many remote towns and villages throughout Japan, as a result of which the whole nation quickly became convinced of the need of some definite form of instruction; but the first step necessary to further this object was to introduce some means of promulgating knowledge on a more extensive scale than could be attained by the hand-printing press, and as a result of the great and rapid increase in the demand for books the more up-to-date methods of printing were introduced.

At the start, said Mr. Yamada, the publishers gave their attention to books describing the habits, customs, geography and history of Western countries; translations of scientific works, such as medicine, law, &c., then arrested the attention of enlightened people, several firms making a speciality of publishing this class of work. In proportion, as the various teaching establishments develop, the publicationof books for schools takes a larger extension.

Owing to the ever-increasing demand and the interest which the Japanese people take in popular works, two firms—the Hakubun-Kan and the Kinkô-dô—aided by modern processes, commenced the publication of cheap editions of works by popular authors. The first start in this direction was made fifteen years ago. Commencing business with a very limited capital, a gentleman, who now holds a position on the directorate of the first-named concern, issued a review having for its title *A Collection of the Writings of Celebrated Men.*

This publication (the lecturer said) was made up of clippings taken from other periodical publications or from the reports and transactions of various societies, the proprietor profiting by the absence of any law regulating literary property. This review appeared twice a month, containing about 200 pages, and costing only threepence, and had a circulation of from 10,000 to 20,000 copies. Its publisher has thus been able to amass a sufficient capital to give a considerable extension to his publications. He has had printed some series of select ancient Japanese and Chinese works, together with translations, and also many European and American books.

This took enormously with the Japanese public, and by judicious and incessant advertising tended to considerably lower the prices of books, in some instances to one-fifth of their original price. Mr. Yamada paid a high tribute to the work done by this propagandist. He said :—

To him is due a large part of the work done in recent years for the propagation of knowledge among the Japanese people, carried on by more than a dozen reviews, including "The Sun," the queen of papers in Japan, which has a circulation of from 75,000 to 100,000.

The firm known as Kinkô-dô is larger than the concern just referred to, and owes its success to the publication of school books. For want, however, of suitable and cheap European paper, Japanese paper, as well as Japanese hand methods of book-binding, is still employed for school books. However two companies, Fouji and Senju, have been founded, which are gradually replacing foreign paper by a similar paper made in Japan. Turning to the value of the annual sale of books Mr. Yamada considered that the sum of £480,000 might be taken as the average at the present time, half of this amount being derived from the sale of educational books. As to the number of works published it would appear that this varies between 1,800 and 2,700, the number of copies of each not exceeding 5,000.

Very rare are those which attain a higher number of printed copies apart from books for school use, among which we find about a dozen that are printed to the number of 500,000 copies. It is in this way that Kinkô-dô and the other publishing houses have met with so much success in issuing scientific works and school-books.

The relation between the author and publisher in Japan would appear to be much the same as that which obtains in this country. In Japan there are two sorts of engagements between authors and publishers. Under one form the author sells directly to the publisher at a price that varies from about sevenpence to seven shillings a page for library books, and from seven shillings to ten shillings for class books; under the other one gets from 8 per cent. to 20 per cent. on the published price, according to the number of copies printed. Publishers, however, are not generally favourable to the latter arrangement, the reason given being that the success of a book of this nature depends very largely on the persistent care that the publisher must take in order to get it admitted by the authorities, the method adopted being as follows :—

School books must first be submitted to an official Commission. It is furnished with the approbation of this Commission that the books may be submitted to the examination of the departmental Commissions, which, among the great number of specimens submitted, have to choose from each kind that which is to have the right of being admitted into the schools. This right is conferred for a period of four years, which may be prolonged. The departmental Commissions are composed (a) of members who are such in virtue of their official position: they are the secretary of the prefecture, the departmental inspectors, and the directors of training colleges, and (b) of members named by the prefect: they are a public school headmaster, a director of high schools for girls, two training school professors, and two primary inspectors. The number of pupils of a department varies from 30,000 to 120,000, and as the demand of a large department during a year is sufficient to cover the expenses of publication of a book it is only natural that the various firms exert themselves as much as possible in order to get their publications accepted, this activity sometimes translating itself into an expenditure of from £800 to £4,000 for one volume.

This state of affairs naturally was not without producing some scandals, and as these are matters which are at present occupying the attention of the courts in Japan we may be permitted, at this juncture, to pass over them. With a view to remedy this abusive competition the publishing houses in Japan formed a trust, known as the Teikok-Shoseki-Kaisha (Imperial Publishing Company).

It will also be possible, said Mr. Yamada, to lower the sale price of books, whilst at the same time improving them, without taking away anything from their profit—such is the aim pursued by the three combined establishments, Kinkô-dô-Shū zē-sha, and Fonkūsha. The trust has absorbed all but a less important firm, which still resists.

The rapid success of this operation has not been without raising violent recriminations on the part of injured interests. Pacification will ensue, and we have every reason to hope that this event will only aid in the development of progress and civilisation.

So much for the publishers. Passing then to the very important side of the trade, the booksellers, Mr. Yamada said—

I have founded a concerted company with two publishing booksellers for the sale of Japanese and foreign books. According to our usage, the publisher grants to the bookseller a reduction of 15 per cent. to 30 per cent. from the full published price, and the limit of credit is two or three months. There are five or six large booksellers to whom many publishers give the special privilege of acting as intermediaries between themselves and the small booksellers of certain provinces in exchange for an advance of funds. Two-thirds of the publications thus pass through one or two commission agents before reaching the hands of the reader.

For the sale of foreign books we have at present only one firm of any importance, Maruya, of which the organisation is very defective. The slow arrival of the books demanded is always the object of complaints on the part of clients.

Mr. Yamada then briefly dealt with the purchase of the rights of translation; this, he thought, would be amply covered if European and American publishers would agree to accept, say, 10 per cent. to 15 per cent. on the published price, regulated, of course, according to the number of copies run off. As a check on the number of copies printed recourse could be had to the use of stamp or seal, to be furnished by the author or publisher. This the publisher should, under penalty of a fine, affix on the last page of each copy. Referring to the internal management and organisation of Japanese publishing houses the lecturer said :—

A firm is usually composed of a publishing office a manufacturing office, which occupies itself with the the purchase of paper, stereotype plates, impressions, binding and warehousing; a sales office, accountant's office, and, lastly, a correspondence office, where sundry matters of business not entering into the competence of the other offices are treated. The director and the head clerk each receive £20 a month. The office managers receive from £4 to £6. The other employees are paid from 25s. to £4 a month.

There are in each office also several apprentices, who are lodged, fed and clothed, and receive about one shilling a month as pocket money. Commercial instruction is given to them by professors attached to the house. The term of apprenticeship is from 4 to 5 years.

Although the working hours—*i.e.*, from 8 a.m. to 6 p.m. and often well in to the night—are somewhat longer than those which generally apply in this country, Japanese publishers display a liberal spirit towards their employees. It is the recognised custom to present at the end of every financial year each member of the staff—without exception—with a sum varying from 3 to 6 months' salary. One half of this gratuity is paid into the firm's bank to be handed over to its titular owner only at the time of his or her leaving.

The booksellers and publishers of Tôkiô, numbering some 300 and 100 respectively, have formed a friendly society. Each year the society gives a banquet to which all the booksellers in Japan are invited, thus affording an excellent opportunity for a general exchange of ideas.

Although the various firms are equipped with printing plant of the most modern design, the composing machine has not yet been introduced. This is accounted for by the fact that in addition to the Japanese 48 syllabic characters some 4,000 to 5,000 Chinese characters are used, consequently composing in Japan is much slower than in this country. Speaking of this Mr. Yamada says:—

The Japanese compositor has to look for his characters amongst an enormous mass methodically arranged in pigeon-holes all round a large room. That is why our newspapers lack rapidity in the supply of news, the setting up requiring nearly a day, and they can appear only once a day. Another difficulty in our printing arises from the employment of Chinese characters. Being ideographic they are complicated signs, of which the delicacy of the strokes, by reason of the rapid wearing away, does not admit of the suitable printing of more than 40,000 copies. Is it necessary to add that the difference in size in the Chinese characters, as well as between these and the Japanese characters, makes for us a clear and regular impression singularly difficult. The exclusive employment, therefore, of writing in syllabic characters or Kana is therefore demanded by those who wish to banish the Chinese characters from our books. In fact, 48 Kanas are sufficient to represent our ordinary language. For my own part I am a partisan of the Roman characters, which, being alphabetic, has a greater advantage from the point of view of pronunciation than the Kana, which is syllabic.

The necessity of economising energy, time, and money will force us sooner or later to get rid of the primitive characters, and to employ the same mode of writing as the Western nations. If the Imperial Printing Establishment, which prints the *Official Journal* and all the administrative documents of the State, accepted this reform, all the printing establishments in the Empire would not fail to follow the example, with the greatest advantage to the more rapid diffusion of thought and despatch of business.

In conclusion, Mr. Yamada said that in the matter of bookbinding Japan had not as yet adopted machinery in this branch of the trade; in fact, he went so far as to say that the work of Japanese bookbinders could not be compared with that of the master binders of Europe and America. L.E.

THE Albertino Silk Company, of Yokohama, have just received the official sanction of the Russian Minister of Finance for financial co-operation with a Russian concern. The capital is fixed at 400,000 yen. The Russian authorities at the same time refused to approve of a scheme which had for its object a direct Russo-Chinese maritime service in connection with the Russo-Chinese Railway lines. The decision came as a great surprise to the interested parties, who had succeeded, after lengthy negotiations, in bringing about an understanding between the Chinese Eastern Railway Company and the various Russian States and private companies.

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THE NEW UNITED STATES MINISTER TO JAPAN.

MR. LLOYD CARPENTER GRISCOM.

MR. LLOYD CARPENTER GRISCOM, who has been appointed to succeed the late Colonel Buck as United States Minister to Japan, is the son of Mr. Clement A. Griscom, the President of the International Navigation Company. Mr. Griscom was born at Riverton, New Jersey (U.S.A.), in November, 1872. He received his early education in Geneva and Paris. In 1887 he entered the University of Pennsylvania, and took the course of the Wharton School of Finance and Economy, graduating in 1891 at the age of eighteen, the youngest man in his class, and receiving the degree of Bachelor

MR. LLOYD CARPENTER GRISCOM.

of Philosophy. On leaving the collegiate department he studied law for two years at the University Law School. A severe illness, however, interfered with his legal studies, and an opportunity offering he accepted an appointment as Attaché to the U.S. Embassy in London and private secretary to the late Mr. Bayard, the first diplomatic representative of the United States to receive the more exalted rank of Ambassador. Mr. Griscom remained nearly two years in London, where he received the diplomatic training which fitted him for his subsequent work in Constantinople and Teheran. In 1894

he resigned, and returned to the United States, entering the law offices of Robinson, Biddle and Ward in New York. In the winter of 1895 he made a journey to Central and South America. The events of this journey were recorded by Mr. Davis in his book entitled "Three Gringoes in Central America." In the spring of 1896 Mr. Griscom was admitted to the New York Bar, and early in the following year was appointed Deputy Assistant District Attorney of New York City, under Mr. William M. K. Olcott's Administration. An effort was being made about this time to purify the District Attorney's office, and he was placed in charge of the Indictment Bureau—the keystone of the department. He found some 5,000 pigeon-holed indictments, and after several months of severe labour in re-organising the methods of the Bureau his health failed, and he was obliged to resign and go to Arizona to recuperate.

At the outbreak of the Spanish war he at once came East and volunteered. He served three months on the staff of Major-General James F. Wade as Captain and Assistant Quartermaster at Chickmaagua, and when General Wade was made President of the Evacuation Commission Mr. Griscom accompanied him to Cuba as a personal aide-de-camp. General Wade assigned him to the special duty of travelling over the whole of the Island of Cuba to visit all the Spanish garrisons and Cuban army encampments, count the numbers of both troops, settle the many difficulties which arose between them, and select camp sites for the American troops which were to garrison Cuba. Mr. Griscom was much exposed to yellow fever, but he proved to be immune, though some nine members of the staff of the Evacuation Commission died of the disease. He performed his duties in such a manner that General Wade recommended his promotion to be Major in the army, but the war being ended he resigned, and left the Army in March, 1899. In June of the same year he received the appointment as First Secretary of the Legation at Constantinople. This office he held for nearly two years, and during fifteen months of the time he acted as Charge d'Affaires.

He had to deal with the trying question of the Armenian Indemnity Claims. Mr. Griscom took up the negotiations vigorously, and the State Department supported his efforts by sending the battleship "Kentucky" to Smyrna. Mr. Griscom forced the Sultan to sign a contract for the payment of the claims in full, amounting to some $90,000, and at the same time retained the Sultan's entire good will. As a result of this diplomatic success President McKinley, in June, 1901, appointed Mr. Griscom Minister to Persia. During a stay of over a year in Persia Mr. Griscom travelled two thousand miles on horseback investigating the trade routes. As a result of these journeys he proved the feasibility of a new trade route by which American merchandise may be introduced into the Persian capital for £3 a ton cheaper than by the old routes.

On the occasion of Mr. Griscom's final audience with the Shah the latter conferred upon him the Grand Cordon of the Lion and the Sun, the highest decoration in Persia. In December last President Roosevelt promoted Mr. Griscom to be Envoy Extraordinary and Minister Plenipotentiary to Japan. Mrs. Griscom, who accompanies her husband, is a daughter of Mr Frederic Bronson, of New York.

THE BANK OF JAPAN.

Mr. Yamamoto Reviews the Economic Condition of Japan.

THE report of the directors of the Bank of Japan for the year 1902, presented to the shareholders at the half-yearly meeting held recently in Tokyo, show that during the year a net profit of 2,277,918,30.4 yen was earned, which, with the amount brought forward from the last account (470,111,24.4 yen), makes a sum of 2,748,029,54.8 yen available for distribution, and apportioned as follows :—A dividend at the rate of 6 per cent. per annum, absorbing 900,000 yen, and a further dividend at the same rate from the surplus profits. Bonuses, &c., take 137,000 yen, reserve account 350,000 yen, leaving a sum of 461,029,54.8 yen to be carried to next account. At the conclusion of his remarks, referring to the report and a general review of the undertakings carried out by the Bank during the past year, the Governor (Mr. Yamamoto) took occasion to review at some length the present economic condition of Japan.

Notwithstanding the impression that is entertained in so many quarters that there is a wave of depression hanging over Japan, that her commerce is lagging behind, Mr. Yamamoto assured those present that the economic condition of Japan was satisfactory. "The year just closed," he said, "showed signs of a gradual return of more favourable times. During the first half of the year the money market remained under the influences operative in the preceding year, when the nation had begun to recover a sense of calm security after a period of economic disturbance. Considerable sums continued to be paid back to the banks, and the influx of specie increased month after month in consequence of a favourable turn in the company's foreign trade, so that the public began to be gradually sensible of an easier state of the money market. Nevertheless, economic circles, long accustomed to an enervated condition, were not easily stimulated to fresh activity."

Speaking of the Anglo-Japanese Alliance Mr. Yamamoto said :—"The Alliance guaranteed peace in the Far East, and could not fail to affect vitally our various economic interests. It engendered a measure of healthy feeling in business circles, and an upward tendency became noticeable for the time on the Stock Exchanges. In consequence of long rains, untimely frosts, and other adverse phenomena that visited Japan in the late spring and early summer anxiety began to be felt about the harvest of wheat and barley, as well as about the outcome of sericulture, with the result that the temporarily wholesome feeling was superseded by aggravated sluggishness. In the second half-year the export trade of raw silk proving to be highly flourishing caused specie to flow into the country in increasing amounts, so that the rate of exchange in Europe and America rose to points seldom reached in late years. Moreover the absence of any demand for money resulting from the depressed state of commerce and industry, as well as the practice of economy by the people, led to an increase of deposits in banks. In addition to this, about the beginning of October, the Government made arrangements with the Industrial Bank of Japan to sell in London Government bonds held by the Treasury to the amount of 50,000,000 yen. These circumstances would have fostered a revival of activity in business circles had it not

been that apprehensions of a bad rice crop were entertained. Thus economic circles remained quiescent to the fall, and the new year opened with an easy money market, the banks generally holding surpluses of loanable funds. Seeing that the general economic conditions had assumed such a complexion, the Bank considered the occasion suitable for lowering the rate of interest that had been maintained since 1901." The first reduction was made in March, and further reductions in June, October, and December. The amount of the Bank's advances to the market has varied from time to time; but the general tendency has been in the direction of decrease. Thus, the sum of these advances, which had exceeded 53,670,000 yen towards the close of 1900, in February fell to 30,230,000 yen.

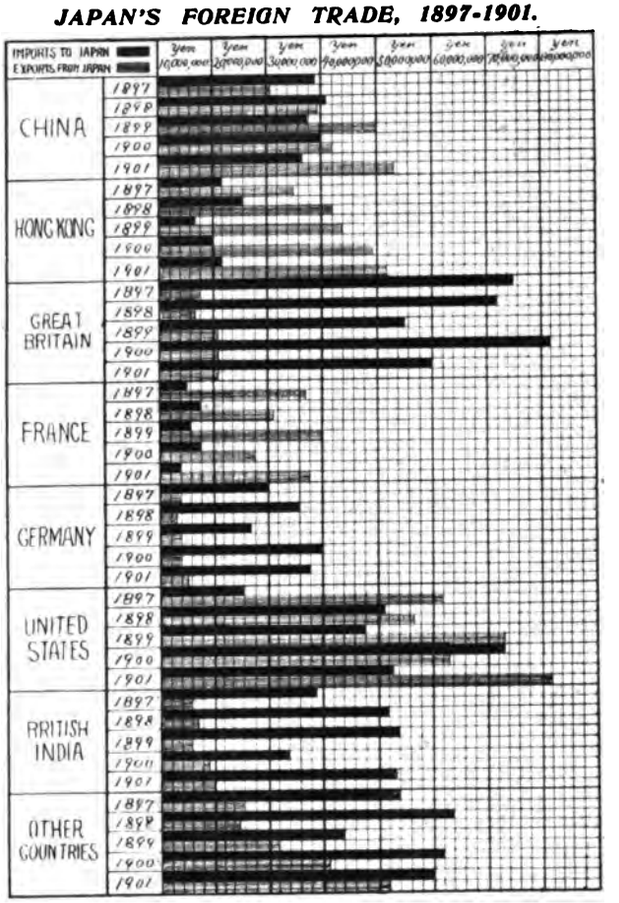
In the month of June money was demanded to some extent for the half-yearly settlement of accounts as well as for the carrying on of the silk industry, and the advances made by the Bank amounted to 39,550,000 yen. Owing, however, to the brisk export trade in silk the funds engaged in that industry were rapidly paid back. From August advances decreased month after month, until in November the amount was reduced to 26,430,000 yen. Towards the end of the year the usual demand for money carried the Bank's advances on the last day of the year to 43,080,000 yen; but the sums thus borrowed were paid back for the most part a few days after the opening of the year.

Passing to general condition of Japan's foreign trade for 1902, Mr. Yamamoto pointed out that the figures were unprecedented. The total aggregate for imports and exports of commodities amounted to no less than 530,030,003 yen, the movement of specie showing an excess of import amounting to 30,130,000 yen, as compared with the bullion movements of previous years. This influx of specie was no doubt largely due to commercial operations necessitating imports of gold by domestic and foreign banks, and enabled the Bank to increase its specie reserve from 71,350,000 yen to 109,110,000 yen, and thus to strengthen the basis of the system of convertible notes. This favourable condition of foreign trade can only be accounted for by an active demand in foreign markets; but at the same time economy in domestic consumption and a consequent increase of commodities available for export seem to have contributed not less to swell Japan's over-sea trade. The fact that, in spite of stagnation in the home market, imports of commodities showed an increase over those of last year, is accounted for chiefly by increases in the imports of cotton and cotton cloth, and by the import of rice in anticipation of a poor harvest. Economic circles, which have been struggling under abnormal conditions for several years, seem at last to have returned to their normal state during the past year. It is true that few enterprises were either expanded or newly promoted. But many firms have made adjustments in their debts, by amalgamating companies, economising working expenses and simplifying business methods.

In some previous years the situation of Japan's foreign trade has been adverse with accompanying outflow of specie in considerable amounts. While this condition obtained there was always a fear that the security of the system of convertible notes might possibly be endangered, and it was with the object of safeguarding this system, Mr. Yamamoto said, that the Bank saw itself obliged to maintain a high rate of interest for so long a period. But the nation is now to be congratulated upon the fact that it has tided over this difficult situation. As their result of their efforts to amass capital the Japanese have succeeded in obtaining a large amount of specie from abroad through the medium of commercial operations, and thus they are now in possession of funds available for a further step of economic progress. All this is an evidence of the economic strength possessed by industrial society.

In concluding his remarks, Mr. Yamamoto said that no contingency existed against which special warning

JAPAN'S FOREIGN TRADE, 1897-1901.



need be uttered. In consequence of the bad harvest of last year the import of a large amount of rice will be inevitable. On the other hand the proceeds of the sale of Government Bonds effected in London last year will be available; therefore it is not anticipated that the Bank's specie reserve will be diminished, to any considerable amount at all events. The course of economic movements, however, is mainly shaped by business transactions. If, in reaction from the inactivity of the past few years, economic enterprises be rashly and extravagantly promoted, there is no guarantee that disturbance will not occur unexpectedly. But the business men of Japan may be trusted to pay sufficient regard to the lessons of the past and to give careful consideration to the future.

S.O.

JAPANESE AND EUROPEAN CREDIT.

CONSIDERABLE interest has been aroused lately by an enquiry into the loss of financial credit of the United Kingdom in consequence of the South African war, and the relative position of that country's credit in comparison of that of the principal European nations. It may increase the interest of this enquiry for the readers of THE ANGLO-JAPANESE GAZETTE if I add some figures for Japan, and show, to some extent, how Far Eastern credit as represented by Japan compares with that of Europe. Of course it goes without saying that Japan cannot raise money nearly so cheaply as the best European Governments are able to do, but it will probably come as a surprise to many people that Japan is not so far behind the second-rate European Powers—second-rate in the financial sense—as they may have supposed.

Total value of Specie and Bullion exported from and imported into Japan during February, 1903, with comparison to corresponding period of the previous year.

	February.		2 months ending February.		Increase.
	1903.	1902.	1903.	1902.	
Exports.	*Yen.*	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Gold coin & gold bullion... ...	980,946	105,512	1,081,907	139,041	942,866
Silver coin & silver bullion... ...	156,882	124,797	541,459	218,216	323,243
Total	1,137,828	230,309	1,623,366	357,257	1,266,109
Imports.					
Gold coin & gold bullion... ...	1,856,028	339,753	4,820,267	688,692	4,181,575
Silver coin & silver bullion... ...	755.519	43,285	1,547,582	61,161	1,486,421
Total	2,611,547	383,038	6,367,849	749,853	5,617,996
Excess of exports	...	...	...	...	...
,, imports	1,473,719	152,729	4,744,483	392,596	...

In the first place let us take the fall or rise which has taken place in the principal Government securities since the period before the war. British Consols show, as might have been expected, a much greater relative decline than the leading stocks of other countries. The price was artificially inflated in the years before 1899, and since then the heavy war borrowings, the suspension of the sinking fund, and the reduction in the rate of interest by one-quarter per cent. have all been operating adversely as far as Consols are concerned. A mere comparison of falls as was made recently by Sir Edgar Vincent in "The Times" is misleading, and does not show how the credit of Great Britain has been effected. A better comparison would have been made if a security like local loans stock had been taken instead of Consols. But, setting the value of the figures aside for a moment, the fact of the fall in Consols, as compared with the rises or falls in foreign securities, is worth attention. Here the figures are, with one or two errors, eliminated, and Japanese Fours added :—

Stock.	Average price, 1895-1898.	Price on March 30th, 1903.	Fall or rise, per cent.
British Consols 2½ %	109⅜	90⅝	— 17·1
French ,, 3 %	101	99	— 1·98
German ,, 3 %	96⅝	92	— 4·8
Italian ,, 5 %	88½	102	15·7
Austrian ,, 4 %	102¾	101	— 1·7
Russian ,, 4 %	103	102	— ·98
Japan 4 % sterling.	Price of issue, 1899, 90.	87½	— 2·8

The advance in Italian Rentes is due to the recent great improvement of the financial situation in that country. In the case of the other countries the falls are largely due to the general decline in Stock Exchange values in the British market, which must always materially influence the movements of "International" stocks. The decline in Japanese Fours will be seen to compare favourably with the average decline in the principal securities of the European Powers. The price of issue in 1899 (90 per cent.) was really too high, and if the market quotation of 88¾, which is the highest price at which the stock actually changed hands in 1899, be taken the fall is even smaller than that shown in the table.

But instead of taking merely rises and falls since the pre-war times we take the comparative prices on the basis

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of interest yield we shall arrive at a much juster view of how the credit of the various countries compares now with what it was four years ago. In order to do this the simplest plan is to ascertain the amount of money which must be invested in the several stocks to produce a dividend of £1 per annum. The following table gives these amounts, and shows how the respective credits of the countries stood before the war and how they stand now :—

AMOUNT OF STOCK YIELDING INTEREST OF £1.

	1895-1898. (Mean.)	March 30th. 1903.
	£	£
Consols 2½ per cent.	39·77 ...	36·25
French 3 per cent. Rentes ...	33·66 ...	33·
German 3 per cent. Rentes ...	32·21 ...	30·66
Italian 5 per cent. Rentes ...	17·65 ...	20·4
Austrian 4 per cent. Gold Rentes	25·68 ...	25·25
Russian 4 per cent.	25·75 ...	25·5
	1899.	
Japan 4 per cent. sterling ...	22·5 ...	21·87

Here it will be seen that though British credit, as measured by Consols, has declined considerably, it is still higher than that of any European country. That is to say, the British Government has to pay less interest for borrowed money than is demanded from any other Government. It will be also seen that Japanese credit, measured in a similar manner, is little below that of Austria and Russia and above that of Italy. This is a satisfactory position for a Far Eastern country to be in, and there is reason to believe that the position will improve rather than go back.

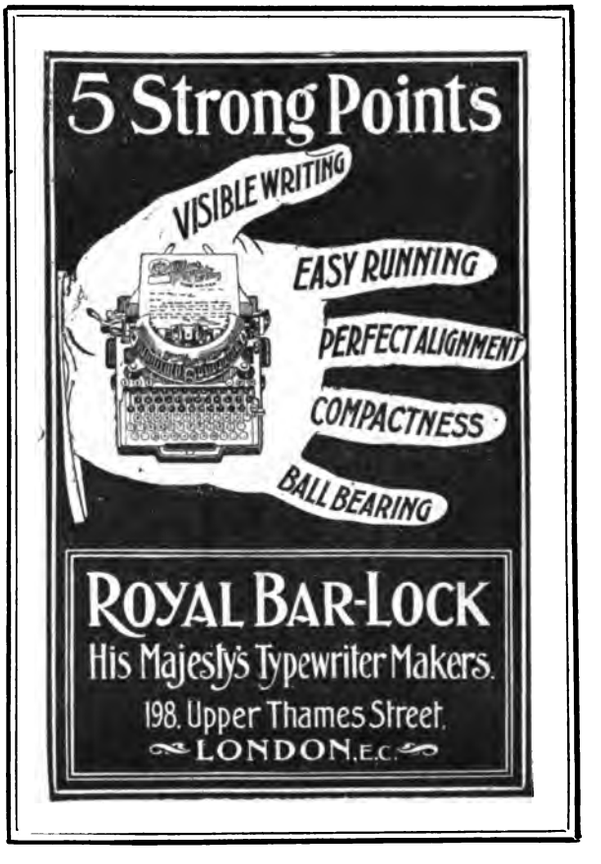
The securities of a country like Japan have not the advantages of the same wide market which the stocks of European countries enjoy, and this alone accounts for the comparatively small prices at which they stand. A "free market" in a security is worth many points in the price, and it sometimes happens that curious anomalies are seen in the respective prices of two securities which are really of the same, or nearly the same, value. For instance, the Japanese five per cents. of 1897 stand at 105, while the fully paid scrip of the five per cents. issued in October last are quoted at 101. After allowing for the fact that the older bonds carry three months more interest than the newer issue there is still a gap of 2¾ per cent. between the respective market quotations. The "Stock Exchange Gazette," commenting on this discrepancy, recently said:—"The explanation of the difference in the prices of the two series is simply that while the old bonds are firmly held by investors, the more recently placed issue has not yet all found a home. This, however, is but a temporary influence, and before long the quotations of the two loans must be brought together. Whether the adjustment will take the form of a fall in the old bonds or a corresponding rise in the new remains to be seen. In view, however, of the favour in which Japanese bonds are held in this country, which has been increased of late by the alliance formed between the British and Japanese Governments, and also of the growing demand which those who act in any way as financial mentors to the public find for 'a sound investment returning about 5 per cent.,' the latter course seems the more probable."

Although Japan has to pay rather a big price for money in the European markets, yet its credit stands quite as high as can reasonably be expected at present, and if the Government will refrain from borrowing and encourage capital to flow to Japan in industrial channels that credit can hardly fail to improve. YEN.

The Foreign Trade of Taiwan (Formosa) for February, 1903, with comparison to corresponding period of the previous year.

	February.		2 months ending February.		Increase or Decrease
	1903.	1902.	1903.	1902.	
	Yen.	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Exports	422,026	323,838	854,924	776,685	78,239
Imports	726,007	500,264	1,529,710	1,257,845	271,865
Total	1,148,033	824,102	2,384,634	2,034,530	350,104
Excess of exports	...	...	...	...	...
,, Imports	303,981	176,426	674,786	481,160	...
Exports, specie & bullion... ...	41,860	245,168	199,178	459,829	—260,651
Imports, specie & bullion... ...	29,855	70,922	65,911	85,805	— 19,894
Excess of exports	12,005	174,246	133,267	374,024	...

THE following have been elected members of the Japan Society :—Messrs. Joseph C. Burlingham, Algernon F. A. Mawson, Toyosaku Nishimaki, John Strain, M.I.C.E., Hugh R. Troup, F.R.G.S., Conrad M. Tulloch, Mrs. Bernard E. Brodhurst, Mrs. Curtis Browne, Mrs. Mitchell and Miss Mitchell. Messrs. Arthur Huc and John Scott Bradstreet have been elected corresponding members.



EVOLUTION OF JAPANESE ART.

Sir J. J. Trevor Lawrence presided at the meeting of the Japan Society, held on Wednesday evening, the 8th instant, at 20, Hanover Square, W., the hall, as usual, being crowded with members and their friends.

"A Gossip on Japanese Art" was the title of a very interesting paper read by Mr. M. Tomkinson, D.L., J.P., F.R.G.S., and member of the Japanese Society. He did not weary his audience by a lengthy history of the schools, or enumerating the names of artistes, most of whom would be unknown to people in the West, but he treated his subject in a colloquial, gossipy manner, which evidently was much appreciated by all present The lecture was illustrated.

The birth of Japanese literature and art, said Mr. Tomkinson, we may consider came with Buddhism from Korea in the 6th century. As in Greece, the early offspring was the art of sculpture —the simple forms of Shintoism became absorbed in Buddhism. The sculptor's idea was contemplative majesty in their deities, and this they desired to express in human form.

At this juncture a picture of a statue was shown, which Mr. Tomkinson declared was the earliest specimen of Korean art, and it was now preserved in the Buddhist temple of Horiuji, where are to be found the finest specimens of early art. It was thought that the statue in question was the source from which the earliest Japanese sculptors received their noblest inspiration. It was, according to the lecturer, a distinct advance on the Indian and Chinese models, and bore evidence of having been considerably influenced by poetical inspiration. Another picture was of a bronze god, the original of which is also at Horiuji. This was described as being

"almost Greek in its sensitive beauty," and, remembering that worship consisted in offerings of flowers and prayer, and in contemplation of the eternity of their deities, we have here a majestic expression of religious art, doubtless influenced by the refinement of the Court and the golden age of poetry at the time of its creation. It is a delightful and poetical reminiscence of a most cultivated people.

Another illustration was of a statue in clay standing 8 feet high modelled about the year 800. Of this Mr. Tomkinson said:

At this time, the time of the Emperor Shomu, 724, the Court was one of pomp and splendour. Magnificent ritual accompanied the religious ceremonies, a Buddha of gilded bronze, 50 feet high was dedicated, and at its dedication thousands of priests chanted through the corridors, and scattered flowers through the courts. After this period art degenerated, and civilisation fell, until the tenth century, when at Kioto were erected palaces with decorations of lacquer inlaid with pearl, ivory, silver and gold. Athe head of the aristocracy were the Fujiwara with a devout tendency, and so we have a second period of religious art in their painting.

Mr. E. Fenellosa has compared the Japanese Court of this period with that of Henry VIII. Noble ladies studied classics, while Lady Jane Grey studied Greek. The Cæsar and Pompey of the twelfth century, the Minamoto and Taira were the cause of hindrance to the arts, but with the introduction of the feudal system in 1192 there was, in the Far East, romance and chivalry as adventurous and romantic as that which prevailed in the West. With the legends and fairy tales of this era came political art—"purely human," Mr. Tomkinson called it—in which religious repose found little place. Impressionism

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by line alone prevailed. Then, in the 14th century, there was a period of civil war during which culture slept.

From these troublous times the lecturer took his audience on to the 15th century, when one of Japan's great artists arose, Sesshu by name, who was a priest. He had spent nine years in China studying and painting in the Imperial Palace, and his works of masterly genius on his return to Japan revived art in its best form. Some specimens of Sesshu's work having been shown, in which could be observed great precision of touch and crisp rendering, Mr. Tomkinson took the opportunity to remark :—

One understands the influence of these masters to-day and their methods of teaching. Would that our trainers of decorative artists would take heed and profit by the example. When in Kioto I visited the art schools. There was the art student, a child of perhaps twelve years, kneeling on the floor with a large sheet of absorbent paper spread out before him. With the aid of Indian ink and brushes the child-student was copying a stem of bamboo. There was no erasing of false strokes with rubber ; each stroke remained, teaching certainty and decision of touch. Here you get the secret of the artist artisan, with his natural poetical feeling, artistic training, and worship of that sweet mistress Nature.

After Sesshu, Kano Masanobu became the Court painter, and with his two sons founded the Kano school, and the family continued to enjoy the office down to 1868. In the early Tokugawa age decorative industriesto a great extent absorbed the art energy, and the new architecture as seen now at Nikko arose, but the dictum that the art of a nation is known by its architecture hardly applies, for Japan is the land of earthquakes. The style of architecture is determined by the influence of climate, religion and materials. Temples and dwellings are constructed to best withstand the constant visitation of the subterranean enemy.

Nikko shrines, Mr. Tomkinson went on to say, are glorious in colour, with a splendour of polychromatic ornament beneath the grandly sweeping roof, metal work, carving and painting ; elaborate, yet showing a thorough knowledge of colour harmony. In industrial art a new aristocratic school arose. Koyetsu inlaid lacquer with pearl and lead. Sotatsu was the painter of this grand school of impressionists, but Korin inherited from both, and must be classed as one of the greatest of Japan's art workers. I think with Louis Gouse, who says — Korin ! I love the name, the turn of it, the rhythm ; how marvellously it suits the art it represents, which has an insidious and penetrating charm, preserving such supreme refinement. This altogether fails, I regret to say, to convey an idea of a rich deep orange lacquer suzuri bako (writing box), with an inlay of pearl and lead. Lacquer is the most wonderful industrial art of our friends. Lacquer produced by other nations is a parody on that of the Japanese. Anyone who has tenderly handled a fine piece must confess the fascination of it.

The most original development of the Tokugawa period was, perhaps, the popular school, which played an important part in book illustration. These coloured prints pourtrayed the passing fashion, and the artist Utamaro rendered it with a grace superior to his contemporaries. So it is with all Japanese artists ; they have found perfect beauty, and perfect fitness in all Nature's handiwork.

Mr. Tomkinson, after briefly reviewing the work of other Japanese artists of the "natural" school, proceeded to gossip on the productions of industrial art, and showed some fine specimens of lacquer work—veritable treasures to the art collector. In feudal times the great artists in metal and other art work were employed by the nobles. Their genius and skill were devoted principally on sword furniture, inro and netsuké, and Mr. Tomkinson is authority for the statement that the sword guards of the 16th and 17th century, of which he showed illustrations, rival any art metal work of the West at this period. Many tsuba (sword guards) are at this very time being made and sold to American and globe-trotters as being very, very old.

Japan has not only produced metal workers, sculptors and lacquerers of the highest artistic excellence, but potters of great merit were much in evidence during the 18th century, particularly those of the Satsuma faience. In this connection Mr. Tomkinson remarked :

Many modern atrocities have been sold to admiring collectors as real old Satsuma. The old netsuké sculptors produced only small carvings, but last century when the inro and netsuké were rapidly becoming a fashion of the past, these artists applied their skill to various objects, such as the larger pieces of carving called Okimono. Their delight still is to illustrate history and legend, depicting brave men and fair women, not the least among the former being the subject of Tametomo, the archer.

In his peroration Mr. Tomkinson, turning to the chairman, Sir Trevor Lawrence, said :

This paper has only touched the fringe of this great subject. This art is of another convention of ours, but following in a stream side by side, both from the same source, they are a divine gift to humanity, the love and perception of the beautiful.

It is to be hoped that these streams will continue to flow for all time in the course of true friendship, each adhering to their own true individuality. Japan in the arts of war is our ally, therefore during a blessed reign of peace let us draw still closer and appreciate more fully the art and culture of the inhabitants of a land who for so many years held themselves aloof from the West.

J.L.

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RECEPTION AT THE MANSION HOUSE.

QUITE two thousand members of the Japan Society and their friends assembled at the Mansion House on Thursday, the 2nd inst., in response to the kind invitation of the Lord Mayor (Sir Marcus Samuel), who is himself a member of the Society—in fact the Society includes in its list of members practically all the civic heads of the Corporation of the City of London. The guests, who were received by the Lord Mayor, in company with the Japanese Minister, President of the Japan Society, and Viscountess Hayashi, included :—

Lady Howard of Glossop and a friend, General Lord William Seymour, Lady Seymour, nnd Miss Seymour, Lord Strathcona (Vice-President) and Lady Strathcona, Admiral Sir E. Freemantle and Lady Freemantle, The Lady Colin Campbell, Countess de Galle, Viscount and Viscountess Horncastle and Miss Horncastle, The Marquis Cambiaso dei Ppi. di Scio, The Baron and Baroness Bernardo Guaranta di San Severino, Baron Von Siebold, Commendatore and Madame Eduardo de Martino, The Hon. George and Mrs. Hill Trevor, Sir Edward Reed, K.C.B., M.P., Sir Trevor Lawrence (Vice-President J.S.) and Lady Lawrence, Lady Arnold, General Sir Julius and Lady Raines, Sir Lawrence and Lady Alma Tadema, Sir Arthur Trendell, C.M.G., Sir Joseph and Lady Dimsdale, Sir George Wyatt and Lady Truscott, Sir John and Lady Bell, Sir Thomas and Lady Brooke-Hitching, Sir Walter and Lady Wilkin, Sir Horace and Lady Brooks Marshall, Sir Theodore and Lady Fry, Sir William and Lady Duprée, Sir Bruce and Lady Seton, Sir Albert Rollit, Sir James and Lady Mackay, Lady Hannen, Sir Alfred and Lady Haslam, Sir Ewen Cameron, Sir Purdon and Lady Clarke, Sir William Robinson, Sir Andrew and Lady Noble, Sir John Rolleston and Lady Rolleston, Sir James Sadler, Sir Hastings and Lady D'Oyley, Sir William Pearce, The Rev. Canon Benham, Madame Jules Prevét, Colonel The O'Gorman and Madam O'Gorman, Mr. Akira Ariyoshi, Acting Consul-General for Japan, The Consul-General for the Netherlands and Mrs. Maas, Admiral Ingles, Rear-Admiral and Mrs. Mann, Major-General and Miss Bedford, Col. G. S. Bridges and his niece, Col. and Miss Arthur, Col. and Mrs. Hobart, Colonel Weir, Lieut.-Colonel and Mrs. Gaskell, Lieut.-Colonel Utsunomiya, Commander K. Nomaguchi, Inspector-General Alexander Turnbull, R.N., Paymaster William Blakeney, R.N., and Mrs. Blakeney, Major and Mrs. Wyndham Malet, Major and Miss Gubbons, Jos. Hy. Longford, H.B.M. Consul-General to Nagasaki (retired), Capt. W. S. Livesay, Capt. and Mrs. Vickerman, Capt. Stewart Rusbridger, Capt. Rolleston, Capt. Iwanoto, I.J.N., Capt. and Mrs. F. W. Thomas, Lieut. Furukawa, I.J.N., Professor and Mrs. Milne, Mr. Nasinento, Portuguese Attaché, Lady Clarke, Mr. Arthur Diósy, F.R.G.S. (Chairman of the Council J.S.), Mr. G. Ukita (Hon. Secretary J.S.), Mr. Charles Holme (Hon. Secretary J.S.), Mr. Paul Bevan (Hon. Treasurer), Mr. Marcus B. Huish, I.I.B. (Hon. Librarian J.S.), Mr. R. A. McLean (Council J.S.), Mr. K. Yamada, Mr. and Mrs. Arthur Stannard ("John Strange Winter"), Mrs. Alec Tweedie, Mr. J. H. Mason, Rev. Louis and Mrs. Jordan, Mr. and Mrs. Hebert Genese, the Rev. W., Mrs. and Miss Ostle, the Rev. Francis and Mrs. Graham, the Rev. and Mrs. R. E. Welsh, the Rev. and Mrs. St. Barbe Sladen, the Rev. and Mrs. Dacre Craven, Mr. T. Hamaguchi, the Rev. E. H. and Miss Pearce, Surgeon-Captain and Mrs. A. W. Wigmore, Chief Engineer Pattison, R.N., and Mrs. Pattison, Mr. J. C. Burlingham, Mr. Under Sheriff and Mrs. J. D. Langton, Col. Denny, the Sheriff of Devon, Col. E. S. Walcott and Mrs. Walcott, &c., &c.

OCCUPYING a prominent place amongst the vast number of floral tributes at the funeral of the late Prince Akihito Komatsu was a beautiful wreath deposited by the British Minister, Sir Claude MacDonald, on behalf of His Majesty the King. The wreath, an illustration of which is given below, measured 3½ ft. in diameter, and was made up

entirely of white flowers, azaleas and ferns forming the ground, above these hyacinths, lily of the valley, &c., were tastefully arranged. The order for this wreath, as well as that deposited in the name of the Emperor of Germany, was entrusted to the well-known firm of Messrs. L. Boehmer and Co., of Yokohama.

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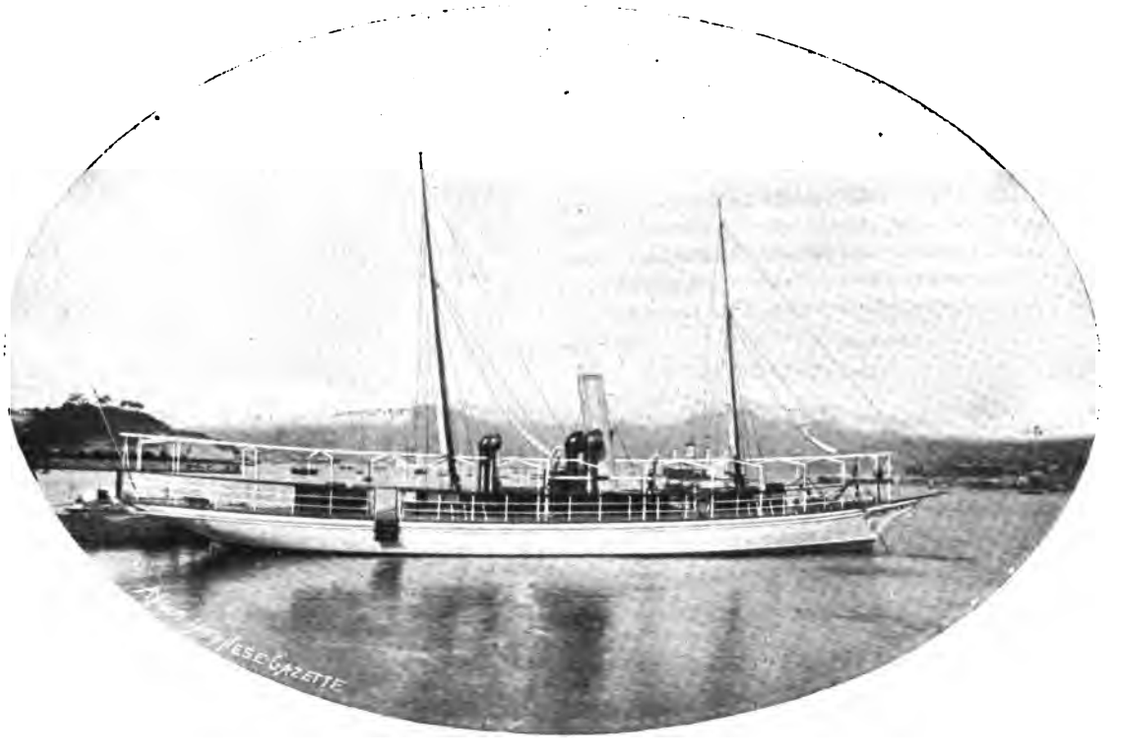
THE JAPANESE NAVAL MANŒUVRES.

THE naval manœuvres of the Japanese fleet came to a conclusion at Kobé on the 11th inst. The ships, which were ranged in five lines, included 28 battleships and cruisers and 35 torpedo craft. Seven foreign vessels also took part—2 British and 1 each from the United States, Russian, French, and German squadrons. After the review the Emperor received in audience the foreign Ministers and naval officers, a large number of Japanese and foreigners being subsequently entertained at luncheon on board the crusiers Asama and Izumo. His Majesty, in a message, praised the progress made by the navy, declaring that the condition of all nations depended on the development of their navies. The Emperor urged both officers and men to renew their exertions to consummate his wishes. A banquet was given in the evening by the Minister of Marine at the Chamber of Commerce. The town was illuminated, and a torchlight procession, organised by the foreign residents, took place.



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Any correspondence intended for insertion in the **GAZETTE** *should be accompanied by the name and address of the writer, not necessarily for publication, but as a guarantee of good faith. No notice whatever will be paid to anonymous correspondence.*

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GENERAL NOTES.

THE result of the elections which took place in Japan on the 1st ult. would seem to have vindicated the views put forward by our correspondent "Japonicus" in the January issue of the "Gazette." Speaking of the pending elections he said: "The subject of the drama may be changed and the company re-organised, but the actors will be the same." Such has been the case. The Opposition Parties have been returned as strong as before. The Constitutionalists number 193 in a House of 373, giving them a majority of 10, and they claim that they can rely on nine other members in agreement with them on all practical questions. This gives the Constitutionalists practically a majority of twenty-eight. The Progressives number about eighty-six. These two parties combined occupy more than three-fourths of the seats in the House, the rest being distributed among the Imperials—the only avowed supporters of the Cabinet, with a dozen and a-half seats—and the Independents. In England such a result of the elections would at once settle the situation by bringing about the resignation of the Cabinet and the assumption of office by the party in the majority. But in Japan Party Government is not an established institution yet, though political development is steadily tending in that direction.

The March Elections.

IN well-informed circles it was generally believed that the outcome of the present deadlock would be that the Cabinet would be obliged to effect a compromise with the Seiyu-Kai, the party led by Marquis Ito, or resign, in which case Marquis Ito would be asked to form a Cabinet. Now, however, according to a dispatch from Tokio, it seems that a split has occurred in the ranks of the Seiyu-Kai, some 80 members of the Diet having seceded, declaring themselves "unable to go on rendering blind obedience to leaders who pursue a policy of endless waiting upon events." They demand that all the party officials shall henceforth be elected by general vote, and that all grave questions shall be similarly decided. This is plainly a revolt against the authority of the Marquis Ito and the Moderates, and may involve a re-casting of votes.

THE report relating the yield of rice in Japan for last year shows a decrease of no less than 21·1 per cent. or 10,000,000 koku—a koku is equivalent to 4·96 bushels—the actual figures being 36,999,348 koku in 1902, as against 46,914,943 koku in the previous year. The following are the number of kokus for the eight preceding years:—1893, 37,267,418; 1894, 41,859,047; 1895, 39,960,798; 1896, 36,240,351; 1897, 33,039,290; 1898, 47,387,666; 1899, 36,698,258, 1900, 41,466,734. Omitting the figures for the years 1897 and 1898—two notable exceptions—it will be seen that last year's yield was 3,857,000, or 9·4 per cent. below the average.

IN an article in the February issue dealing with the petroleum industry of Japan it was pointed out that although possessing practically an inexhaustible supply of petroleum the total output of the twenty companies engaged in the industry is only sufficient to supply one-third of the demand, the result being that for some years large quantities have to be drawn from the oil-fields of Russia and the United States. Taking the figures for 1870 we find that Japan imported refined petroleum to the value of Y.9,250, in 1897 the figures reached Y.8,000,000, while in 1900 and 1901, notwithstanding the employment of gas, electricity and the adoption of more modern methods to increase the home supply, we find the value of the imports for these years stand at Y.14,162,650 and Y.14,960,650 respectively.

Russian Oil in Japan.

ONE of the largest firms handling Russian oil in Japan is the Rising Sun Petroleum Company, with headquarters at Noda. The district served by this company extends from Kanzawa on the north-west coast to Mitagiri in the province of Suwō. This large area is linked up by a network of railways, having in the aggregate 600 miles of lines. The oil, on arrival at Noda, is first of all pumped out of the large tank steamers into settling tanks until the oil commences to run clear, the delivery pipes are then connected to the larger discharging tanks. There are at present five of these tanks at the company's station at Noda with a total capacity of some 10,000 tons of oil equal to about 3,460,000 gallons. We now come to the important part of the undertaking, the distribution. Pipes are run to the railway tank wagons. These wagons when filled are then dispatched by the various railways to the large number of deposit tanks which must be kept filled. Each wagon holds ten tons.

THE most up-to-date machinery is used for pumping and filling these wagons. As many as twenty wagons a day have been sent out to different destinations, ten wagons a day being a common

occurrence. Two wagons can be filled in nine minutes by the pumping machinery, and the weight of each wagon is registered as it passes out of the yard. Wholesale firms purchase the oil in bulk, and put it up in tins for supplying smaller dealers. The company also tin a large quantity and transport it to various places in the country. A part of the compound at Noda is set apart for this branch of the business ; a large staff is employed for this purpose, as many as 10,000 tins being filled in one day. The tins are placed under the taps, and as soon as they are filled the supply is cut off automatically. They are then sealed and packed in cases ready for distribution.

DURING recent years the sugar industry of Formosa has shown a decided falling off. In 1880 the exports amounted to 1,130,357 cwt., but during the last few years the figures have fallen to 841,966 cwt. More kinds of sugar-cane are now grown, and recently a variety introduced from Hawaii has given good results. It yields from 12 to 15 per cent. sugar. Artificial fertilisers and irrigation are employed. The greater part of the present production is used in the unrefined state. Recently a large joint-stock enterprise has been established. There is no lack of workmen for the factory, but the scarcity of coal is a very great hindrance. The Japanese Government is trying to develop the sugar industry by means of bounties. A short time ago ten modern presses were brought from America and allotted to the manufactories. The great Japanese factory, with a daily output of 25 tons, which is situated on the railway between Taiman and Takao, produces refined as well as raw sugar.

YUNG LU, First Secretary and Controller of the Finances, whose death occurred on the 11th of this month, has, since the demise of Li Hung Chang, been generally recognised as the "strong man," if not virtual ruler, of China. Yung Lu commenced his career with a small post in the household of the present Emperor's father, rising by degrees to be Viceroy of Pechili, a Minister of State, and member of the Imperial Council. His assassination was part of the rebel programme in Pechili in the autumn of 1898, but that enterprise failed, and the conspirators never afterwards forgave Yung Lu. In the beginning of 1900 Yung Lu gave umbrage to the Empress by thwarting Her Majesty's bold plan of deposing the young Emperor and undertaking the sovereignty herself. This was really due to the sense of gratitude and loyalty Yung Lu retained for the young Emperor's father, who first befriended him. In the spring of 1900 he officially opposed the Boxer movement, but he was over-ruled by the other members of the Council, whereupon he became opportunely and diplomatically ill, absented himself from subsequent meetings, and was "on sick leave" when the terrible crisis happened.

YUNG LU was at this time Generalissimo of the Forces of China, and is said to have really instigated the war with the foreign Powers, which attended the relief of the Legations, and there are stories making him responsible for destroying half the Legations and blowing up several convents and countenancing other crimes during the year 1900. But on the approach of the international armies he fled from Pekin. When the trouble was over Yung Lu, in the most affable manner and with promptitude, tried to make things right with the representatives of the Powers.

IT is unfortunate that the Tokyo correspondent of the "Daily Mail" is not better informed than to wire to his newspaper the startling intelligence that Shakespeare was, for the first time, performed on a Japanese stage on February 22nd last in the Meijida Theatre of Tokyo. As a matter of fact, "Othello," the play referred to, was acted by Mr. Kawakami and Mme. Sada Yakko in Tokyo as far back as 1887, and Londoners will well remember this and other Shakesperian productions having been presented by these clever Japanese artistes ; first at the Criterion, and later at the Shaftesbury Theatre in the year 1899 or 1900. In 1891 Mr. Kawakami and Mme. Sada Yakko also presented their Shakesperian plays at Glasgow and other towns in Scotland. The company, composed entirely of Japanese players, was under the management of Miss Loie Fuller. Mr. Kawakami's rendering of the "Moor" was highly effective, and Mme. Sada Yakko was a most sympathetic Desdemona.

THE following figures represent the trade between Japan and the Indian Empire for the three decades ending 1895. The later figures for 1900-1901 being also given :—

Imports from Japan.	£	Exports to Japan.	£
1875	5,350	1875	6,125
1885	23,100	1885	275,800
1895	417,200	1895	2,819,383
1900	835,450	1900	2,097,949

With reference to the use of matches of Japanese manufacture in India, we find that these have topped the list for the past six years, the figures for the last three years being as follows :—1898-9, £32,400 ; 1899-00, £27,000 ; 1900-01, £33,185. Another important item is the export of raw cotton from India to Japan. In 1899-00 this was represented by exports valued at £3,730,420.

IN order to accelerate the rail and steamboat service between Japan and Korea a scheme is at present under consideration, says our esteemed contemporary the "Japan Chronicle," for connecting the Sanyo Railway and the Seoul-Fusan Railway by a service of fast steamers. The suggestion is to run express trains between Chemulpo and Fusan *via* Seoul in ten hours, and to run steamers from Fusan to Moji. These steamers will cover the distance

between the two ports in four hours and meet the trains running from Shimonoseki to Kobe, Osaka, and Tokyo. Passengers from Chemulpo will then be able to reach Moji in fourteen hours, Kobe in thirty hours, and Tokyo also in about thirty hours. The journey from Chemulpo to Tokyo will thus be accomplished in the comparatively short space of forty-four hours.

A FALLING off of £46,200 is shown in the export of merchandise from New South Wales to Japan for 1902, the figures being £104,400 as against £150,600 for the previous twelve months.

NEW South Wales is represented at the Osaka Exhibition by a splendid collection of wool. The exhibit is arranged in eighty separate compartments, each containing a different sample of wool, the districts being shown on each. Arranged with the samples are maps showing the position of each district, with particulars of rainfall and statistical tables. Altogether the collection is the best advertisement that the great wool industry of Australia could possibly obtain, and it should be the means of opening up a larger market for that colony's wools in Japan than exists at the present moment.

THE depreciation of silver in China is being keenly felt by Japanese merchants exporting such commodities as tinned fish, coal, cotton goods, &c.; in fact, the development of commerce, not only between China and Japan, but other countries which have adopted the gold standard, is likely to be seriously impeded unless some immediate steps are taken to settle the question of Chinese currency.

THAT American firms are capturing the motor and cycle trade in Japan is very evident from the figures given elsewhere in this issue relating to the exports from the United States to Japan during last year. Surely this is a market that is well worth the attention of the British manufacturer, but he must not sit still and wait for orders.

THE report of Japan's foreign trade for the second month of this year, both in respect of imports and exports, shows a decline. Imports are less by £10,120, and exports show a falling off of £49,450. For the months of January and February exports declined £12,360 as compared with same period last year. On the other hand imports for the two months increased by £505,360.

THE announcement that arrangements have been made between the British and Japanese Governments for the interchange of officers, whereby the mutual study of each other's military progress and a better understanding of each other's military plans may be brought about, has met with enthusiasm in all quarters. It is understood that, for the present, British officers will commence the new departure by being attached to the Japanese army, and that later on Japanese officers will come to Great Britain for a like purpose, the period in each case to extend to two years.

MUCH has been written and said of late months anent firms tendering for trade with Japan, and the prevalent opinion appears to be that the lowest tender should necessarily be accepted. This, however, is quite erroneous, for if the Japanese place a large contract with a British firm, say for locomotives, as was recently the case, and the firm's tender should be higher that others competing, as was also the case in this instance, it may be taken for granted that our shrewd allies recognised some superiority in the manufactures of the successful competing firm. At the first blush it may seem strange that Germans can invariably quote a lower figure for a contract than British firms. But if a British firm manufactures a decidedly better article, with more expensive material, why should they not demand a higher price for their products? This is exactly what has happened in the past, and will happen in the future. In spite of this, however, the Japanse are wide awake to their own interests, and are evidently perfectly willing to pay a fair price for a good article.

REPRESENTATIVES of several large petroleum companies in Japan are at present visiting the United States. The object is to study American methods, with a view to their possible adoption for increasing the output of petroleum in Japan.

MR. CONSUL HISAMIZU, who has just returned to Japan after a tour through South Africa, reports that there is a splendid opening for Japanese enterprise in that part of the world. The total trade between Japan and the South African Colonies, according to a recent return, amounts to only some £6,000, this figure, Mr. Hisamizu thinks, could easily be increased three-fold, such articles as furniture, silks, lacquer, &c., finding a ready market.

THE various firms engaged in the iron industry in Japan have greatly increased their output during the past few years. The troubles caused by the use of inferior coal and scarcity of labour, which obstructed progress for some time, now appear to have been solved.

SPEAKING at the half-yearly meeting of the stockholders of the Bank of Formosa, Mr. Sakatani, Vice-Minister of Finance, referred to the great service that the treaty between Britain and Japan had rendered in strengthening the position of both these nations in the Far East. Mr. Sakatani is the first official who has made any reference to the alliance recently, and his remarks are generally accepted in Tokio as having a semi-authoritative character. After recalling the facts which lead up to the conclusion of the alliance the Vice-Minister said :—"The treaty has been of very great service in ensuring the peace and tranquility of the Far East, in strengthening the position of Britain and Japan in this part of the world, and in promoting the civilisation and welfare of mankind in general. Even before this compact was put down in black and white an alliance had practically been in existence between the two nations. Not only has there never existed any conflict of interests, political or commercial, between them, but there has been noticed a similarity of the social customs prevailing between them. The real value of the alliance does not exist in the written document by which it has been concluded, but rests on the sympathy existing between the two nations. Well disposed as Japan had always been towards the

British its sentiments towards them have wonderfully increased in warmth since the announcement of the alliance."

REFERRING to the important question of a more general knowledge of the English language throughout Japan, Mr. Sakatani said that it was owing to the mastery of this important question by a large number of Japanese which had so materially helped to bring the two nations together, and he urged all those connected with the bank to do all they could to promote commercial intercourse between Formosa and Hong Kong. It is indeed gratifying to find our allies placing such a practical construction on the treaty.

IN view to ascertaining what arrangements have been made by the naval authorities to entertain the Japanese squadron which, it is understood, is coming to England during the summer, a question is to be addressed to the First Lord of the Admiralty soon after the re-assembly of the House of Lords. The visit will be quite official, if not an Imperial affair, as, to all intents and purposes, it will be for the object of making the Mikado's greetings to the King and to the British nation as a whole.

AT the reception given to the Japan Society by the Lord Mayor and Lady Mayoress at the Mansion House on the 2nd instant it was noticeable that several Corresponding Members had journeyed from abroad specially to be present on the occasion. Among these we noticed members from Paris, Berlin, Canada, and the United States. From Paris came an original Corresponding Member, Mme. J. Prevet, and from Berlin that well-known enthusiastic collector of Japanese works of art, Herr Gustav Jacoby. Canada was represented by the Rev. L. H. Iordon, M.A., of Toronto, an original Corresponding Member, and the United States by General Clay Evans, United States Consul-General to Great Britain, and his two charming daughters, as also other members of the society from across the Atlantic.

MR. DIÓSY, who looked very "fit" after his trip to the Mediterranean, took occasion at the last meeting of the Japan Society to refer to this interesting subject. Mr. Diósy spoke of the benefits which would doubtless be brought about by such an interchange, and in the course of a conversation with a high official at the Imperial Japanese Legation a representative of the *Gazette* learneed that the proposed innovation was much appreciated in Japanese circles, and that such a course could not fail to have the most beneficial results to both parties concerned. Although a belief has been prevalent in some quarters that German officers at one time were attached to the Japanese army, such is not the fact, for no other European nation has hitherto been accorded facilities to study Japanese military tactics first-hand. The Chinese even, who have been sent from time to time to Japan for instruction, have been simply attached to the military colleges, but there is no instance where one of them has been quartered and carried temporarily on the rolls of a Japanese regiment.

COMMERCIAL JAPAN.

An Enterprising Firm.

THERE can be no better illustration of the commercial activity and industrial expansion of Japan than to follow the origin and development of the celebrated firm of Messrs. Mitsui and Co. To say that the Mitsui's belonged simply to Tokyo, where their headquarters are situated, would be in a measure misleading, for the operations of the firm extend throughout the whole of the Mikado's realm, and, as a potent commercial factor, it has no parallel in Europe or America.

Founded many centuries ago, the house of Mitsui remains an individual organisation which, after a long life of great usefulness, is to-day recognised as an all-powerful institution having many branches, and by the side of which other commercial houses in Japan sink into comparative insignificance. As it exists to-day the firm is comprised of eleven families having the same common ancestor, and carrying the same surname. Its administration is dictated by a Board of the Family Council, and it is from this source that the various undertakings of the firm, and the capital necessary for the same, are authorised. The Mitsui's are, in fact, the Rothschilds and the Universal Providers of the Far East.

In the thirteenth century a nobleman of ancient lineage had his estates in Mitsui-mura, from whence sprang the now world-famous surname. It was not, however, until the middle of the sixteenth century that one of the illustrious family entered upon a commercial career, and to his son Takatoshi, born in 1633, is the credit for establishing the existing firm of to-day. At a time when economic science was in a very rudimentary condition, and monetary transactions were almost unknown in the country, Takatoshi Mitsui invented and introduced the system of cash-retailing, and organised a system for the collection and remittance of money. Soon he deemed it necessary, in order to conduct a foreign trade, to establish a branch at Nagasaki, then the only port open to foreign trade. And under his able management the business rapidly developed and flourished, until at length the name of Mitsui became a household word.

The Tokugawa Government, in the year 1687, appointed the Mitsui's its purveyors and public exchange controllers, conferring upon them in recognition of their services an estate in Yedo. Ten years after the death of Takatoshi, which occurred in the year 1706, his son established certain rules by which successive generations should live in unity and harmony, and it is mainly due to the fidelity to these rules that the long and continued prosperity of the firm has obtained until the present day.

In 1868, the first year of the Meiji era, while the new Government, under the direct control of the Crown, was in process of consolidation, the Mitsui's acted as its principal financial agents, and it was in a great measure due to this aid that Japan was enabled to bridge over a great crisis with which it was then threatened. At that time, so close were the new Government and the firm of Mitsui bound to each other, that the fate of one depended upon that of the other. A year previous to this, when the Tokugawa Shogunate ceded the Government of the State to the Crown, and the Imperial Government (with an empty treasury, and with

no immediate prospect of obtaining any revenue) was established at Kyoto, it was the Mitsui's who, as loyal subjects, defrayed the necessary outlay of the State with a portion of their immense fortune, and with all the funds obtainable from business transactions. Soon afterwards, when the war with the partisans of the Shogunate became imminent, and the State finances became more and more straitened by growing expenditure, and when, in consequence, the Government decided to float a national loan for a large amount, it was the Mitsui's who were empowered to raise this sum.

In 1876 Mitsui's established the first private bank on modern lines in Japan, and in the same year a new and most important undertaking was organised for the purpose of general trading, and, more particularly, for that of foreign trade. The firm so well and favourably known as the Mitsui Bussan Kaisha in the East, and as Mitsui and Co. in Europe and America is the outcome of this enterprise. In 1889 the house acquired from the Government the Miike Coal Mines, and accordingly the Mitsui Kozan Kaisha (Mitsui Mining Company) was established in order to control this and many other mines owned by the firm. In this manner was the great house of Mitsui developed gradually, but progressively always.

The undertakings of the Mitsui's are divisible into four distinct institutions, viz.: Mitsui Ginko (Banking), Mitsui Kozan Kaisha (Mining), Mitsui Gofukuten (Dry Good Stores), and Mitsui Bussan Kaisna (Trading). These are owned solely by the eleven families of Mitsui conjointly, who assume an unlimited responsibility for the liabilities of the several companies, which embrace nearly every branch of business and enterprise in the commercial and industrial worlds of Japan—banking, mining, home and foreign commerce, shipping, fishing, agencies, silk manufacturing, retail trade, iron and engineering works.

The works of Messrs. Mitsui are to a great extent undertaken with the object of public benefit rather than private gain. Standing as they do outside all possibility of rivalry, they set examples to others by projecting new enterprises which might be beneficial to the country by encouraging the progress of industries, by adopting in their works latest inventions and newest discoveries, and by creating new systems aud methods in business transactions. Indeed with every new business enterprise of a large magnitude, with every public organisation in the industrial world of Japan, with very large concern of economic interest, the name of Mitsui is always identified.

The Mitsui Building, Suruga Cho, Tokyo. Designed by Japanese Architect.

The new offices of Messrs. Mitsui at Tokyo, of which we give an illustration, were commenced to be built in 1896, and were completed in 1902. In an early issue we will deal with the various branches and heads of the firm.

(To be continued).

BRITISH INDUSTRIES.—IV.

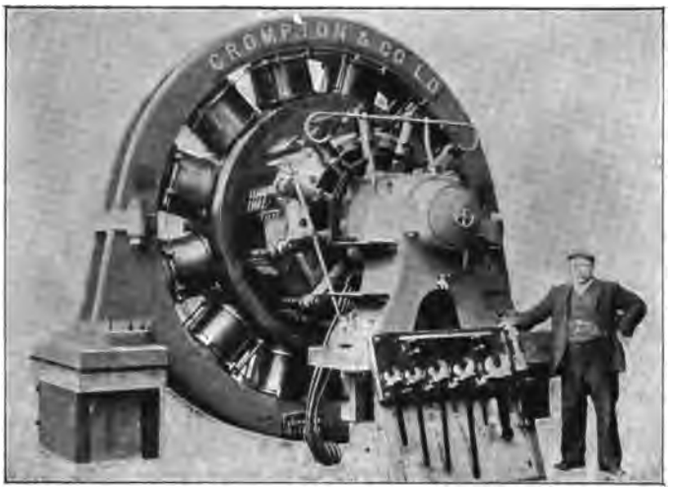
The Arc Works, Chelmsford.

THE past decade has witnessed many revolutions in the application and uses of electricity, especially in connection with the adaptation of this agent for traction purposes and workshop appliances. For this remarkable impetus we are, no doubt, largely indebted to the "go-aheadness" of our American cousins; but it is a pleasure, when one hears on every side of the apathy of British firms, to be able to record at least one instance in which we still more than hold our own, indeed it would be difficult to find anywhere a better equipped or a more perfectly fitted establishment for the manufacture of electrical plant and appliances than the Arc Works belonging to Messrs. Crompton and Company, Limited, at Chelmsford.

These works, originally established by Mr. R. E. Crompton in 1878, consist of a series of imposing structures, covering an area of some 10 acres, situated in close proximity to the G.E.R. Company's station at Chelmsford. The chief entrance to the works is placed at the west end of the range of offices, which has a frontage to the main road of 250 feet and a depth of 30 feet, while the main shop is situated at the rear of and parallel to the offices, a double line of rails, led direct from the G.E.R. Co.'s system, running between the two buildings. This main shop has a clear floor space of no less than 63,000 square feet, and is given over entirely to the manufacture of heavy plant. It is 240 feet in length by 260 fee in width, divided into eight bays, each having a span of 30 ft. by 40 ft., the north wall being so constructed that it can easily be removed to permit of lengthening the shop. The larger of these bays—three in number—are 30 feet high from the floor to under the roof girders, and 24 feet up to the travelling crane gantry; two have a span of 40 feet. and a third a span of 30 feet. The other two have a 30 feet span, 20 feet to the underside of the roof girder and 16 feet to the travelling crane gantry. The whole of the building is constructed of non-combustible materials, with the exception of the flooring blocks, which, from their position, can never take fire.

The glazed slopes of the roofs are fitted with Helliwell's patent glazing bars, which also admit of ample ventilation. There are no internal walls or partitions, so that an uninterrupted view of the whole floor can be obtained from the shop manager's offices. Five bays are provided with electrically-driven travelling cranes, varying from 15 tons down to 3 tons capacity; but provision has been made for the addition of electrically-driven cranes in all the bays. Several of the cranes bear the well-known name of Broadbent and Sons, while others are by Marshall, Sons and Co., of Gainsborough. To further facilitate rapid and easy handling of plant a 27in. gauge railway runs throughout the building, these lines being connected by cross rails with turn-tables to each bay. Artificial light is provided when necessary by about 60 arc lamps. As is only natural, the electric motor finds a prominent place at the Arc Works, and in order that the vast number of machine tools may be utilised in the simplest manner, and at the same time advantage taken of the best light, a special form of counter-shaft motor, suspended overhead from the crane girders, has been designed. The motors vary from one to six horse power, the pinions being formed of raw hide, working into cut gears, giving countershaft speed of from 100 to 250 revs. per minute. For driving large or heavy tools separate motors of the usual open type are chiefly used, operating on to the tool direct, or through a countershaft. There are three lines of shafting provided for driving a mixed lot of tools, each line having its own motor. Included amongst the large number of labour-saving tools are 25-foot stroke double headed side planing machine by Messrs. George Richards and Co., 18-foot turning and boring mill by Messrs. Smith and Coventry, powerful Ingersoll milling machines, large band saws by Messrs. Noble and Lund, &c.

In the erecting bay is a particularly useful combination of tools; it consists of a large floor plate, upon which a number of portable tools can be placed in cases where it is necessary to take the tools to the work instead of vice versa. A feature of the armature shop is a neat



800 Kilowatt Generator supplied by Messrs. Crompton and Co. to the Calcutta Electric Lighting Co. for Lighting and Traction Work.

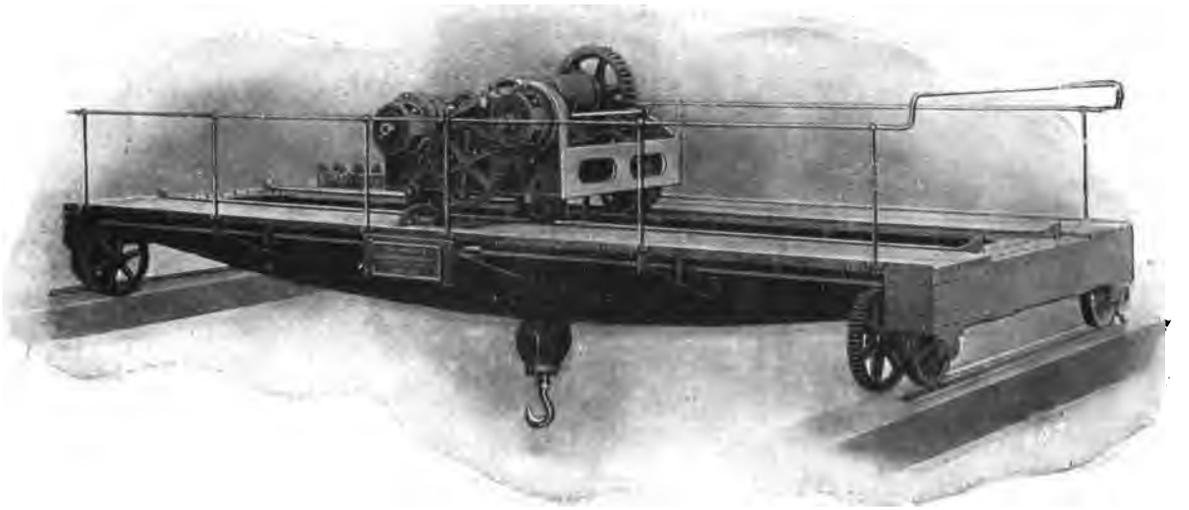
range of heads for winding magnet coils, each having its motor fixed in the base. The adjoining bay is mainly devoted to the construction of larger generators. Then follow turning and fitting bays and tool shop, armature winding and commutator departments. A very important point in the arrangement of the shops is that the finished parts on their way to be assembled and made up into complete machines occupy a portion of one of the bays in the main building. In this space everything is arranged as conveniently as possible for access.

The tool department is located in the centre of the shop. Ovens, heated by gas from a "Dowson" plant, for storing field coils, armatures, and other parts of dynamos, are distributed in various parts of this shop. There is also a large steam-heated drying oven, no arranged in conjunction with an air pump and condensing apparatus that the whole of the moisture in the articles is perfectly extracted, and at a much lower temperature than would be the case in an ordinary drying oven. A set of impregnating tanks are worked in connection with this oven, by means of which armatures,

field coils, armature coils, &c., can be perfectly impregnated with varnish, the process being to first put the coils, &c., into a tank which is put into communication with the air pump and thoroughly exhausted, communication with the air pump is then shut off, a valve connected with a varnish tank is opened, and the whole is filled up with varnish, which penetrates into the most minute interstices of the coils, thus making them thoroughly waterproof.

Lamp and Instrument Shops.

Leaving the main shop, the building which next attracts our attention is that devoted to the manufacture of lamps, instruments for measuring and testing purposes, &c. This building has a floor space of 270 ft. wide by 160 ft. long. A space 40 ft. wide, and running the whole length of the building, is allotted to the instrument department, the rest of the space being occupied by the lamp and switch departments. The machine shop is located in the centre of the building. The shop manager, draughtsmen and office staff have an office so placed that effective supervision is maintained over the whole of the shop.



15-ton 3-motor Overhead Travelling Crane.
Motors by Crompton and Co. Crane by the Chatteris Co., Cambs.

There are four lines of shafting, each motor driven and running on roller bearings. In this building, as elsewhere, there is a large plant of the most up-to-date tools, notably turret drilling and tapping machines for dealing rapidly with the numerous different sized holes in the arc lamp frames. With some of these machines it is possible to fix the frame into its drilling jig, and drill and tap all the holes, of many different sizes, before it is removed from the jig. The tool shop is completely self-contained, including its own tool forge, and a system has been adopted of having every tool, including all the ordinary lathe tools, ground in this shop. Duplicate and triplicate sets of these tools are stocked, so that there is no delay in providing workmen with freshly ground tools.

In addition to the manufacture of measuring instruments, amperemeters, voltmeters, potentiometers and other high grade instruments, Messrs. Crompton are also engaged in originating gauges and cutting tools for the system of small screw threads recommended by the British Association Committee. These gauges and tools combine accuracy without excessive cost. Except that the parts are roughed out when soft all the operations are on the hardened steel with emery wheels in a peculiar form of lathe. Irregularities due to deformation by hardening are avoided, and such a degree of finish is obtained from the wheels that no polishing of the surface is required. The firm attach great importance to the establishment of accurate dimensions and forms for the small appliances in their instrument shop, and are paying a great deal of attention to this subject. Some very interesting and accurate tools are also installed in this shop, including lathes ranging in size from those used by watchmakers to machines with 5in. centres, together with small milling machines, &c., of different types.

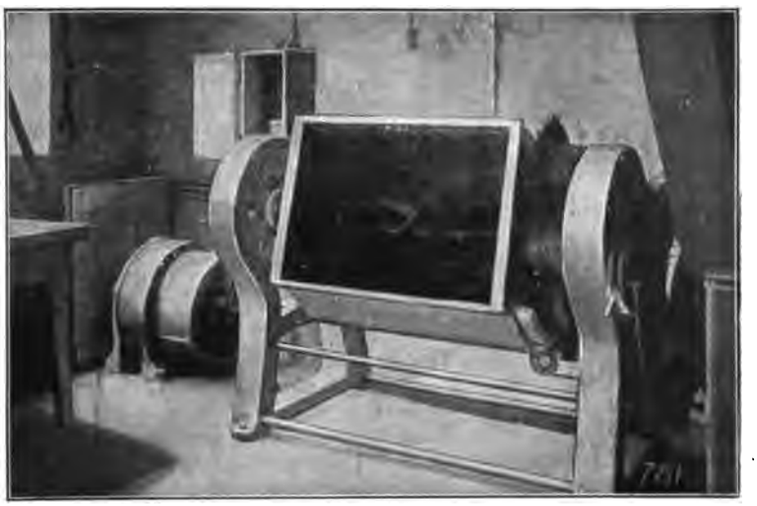
Auxiliary Shops.

Within convenient distance of the principal buildings are the smiths' shop, enamelling shop, carpenters' shops castings and patterns stores, &c., all provided with motor driven tools. The smithy is equipped with a power-hammer by Messrs. Player, and a steam hammer by Messrs. Thwaites. The furnace in the enamelling department is an unusually large muffle furnace of the regenerative type, fired by Dowson gas. In this furnace not only the electrical cooking goods are enamelled, but the supports and girders which carry the "Crompton" system of underground mains are enamelled to any desired colour, while the covers of cut-out boxes, distribution boxes, &c., can be enamelled on the inner side. The system has, in fact, proved itself so perfect and durable that it is being extended to many other parts of electrical goods manufactured by the firm.

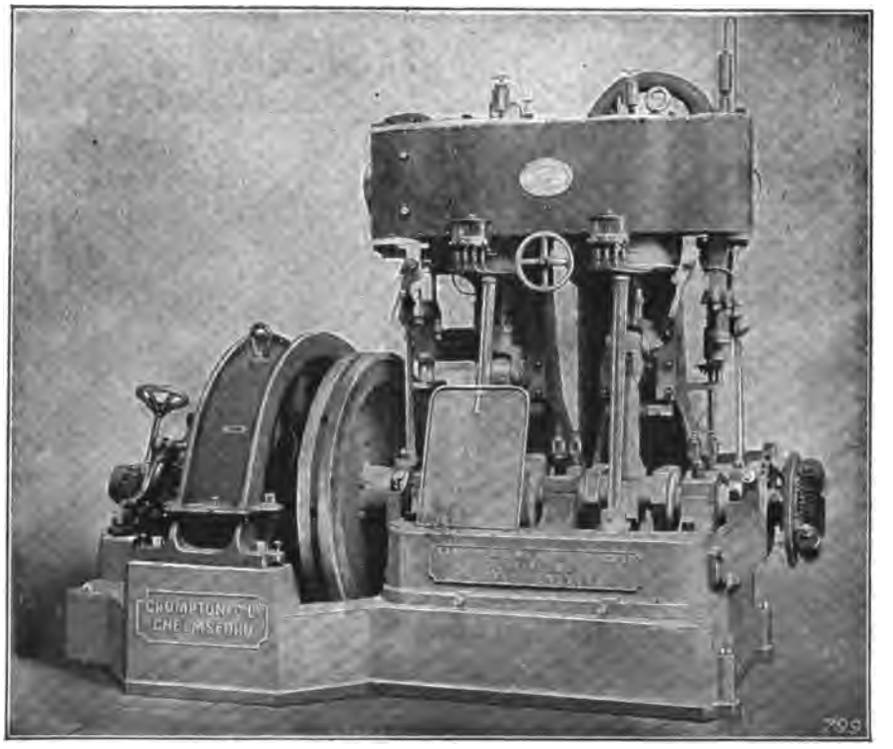
Power Plant.

The power for the various sections of the works is furnished by three direct coupled generators, two slow speed and one high speed. The slow speed sets consist in each case of a 150 kilowatt continuous current

Crompton generator coupled to a 240 h.p. horizontal engine by Messrs. Marshall, Sons and Co., of Gainsborough, the engines being fitted with Proell-Marshall valve gears. The generators each have a 6ft. diameter armature built up on the engine crank shaft, and the 8-pole field magnets are entirely of steel. The high speed set is a 200 h.p. combination, the dynamo being a bipolar machine and the engine a Willans. Steam is supplied from three Babcock and Wilcox boilers. Two are fitted with the same firm's latest pattern Scotch furnaces for burning smoky coals, and have superheaters of the latest pattern, the third having a chain grate stoker for small fuel. A Green's economiser is also fitted. The condenser is placed above the boiler house on steel stanchions; it is of the evaporative surface type, made by Ledward, and is large enough to condense the steam when either of the engines is working up to 240 h.p. The vacuum is obtained by an air pump on the Edwards principle, made by the Central Marine Works, of Hartlepool. The centrifugal pump for circulating the water is also electrically driven. The main switchboard, by which the supply of current to the entire works is regulated, represents Messrs. Crompton and Co.'s latest pattern. The switches are all of very heavy pattern, each switch being provided with a separate and easily renewable spring sparking arm, by means of which all burning of the current-carrying contacts is avoided. The automatic cut-outs are modifications of the patterns which have been so long in use, and which are largely employed in many of the low tension central stations as zero cut-outs on the dynamo panels. In the case of the switchboard under notice they are used as excess cut-outs. The instruments are of the deadbeat



Electrically Driven Kneading Machine showing application of Electric-Driving to Trade Purposes.



Crompton Multipolar Generator direct coupled to a Ransome, Sims and Jefferies Engine.

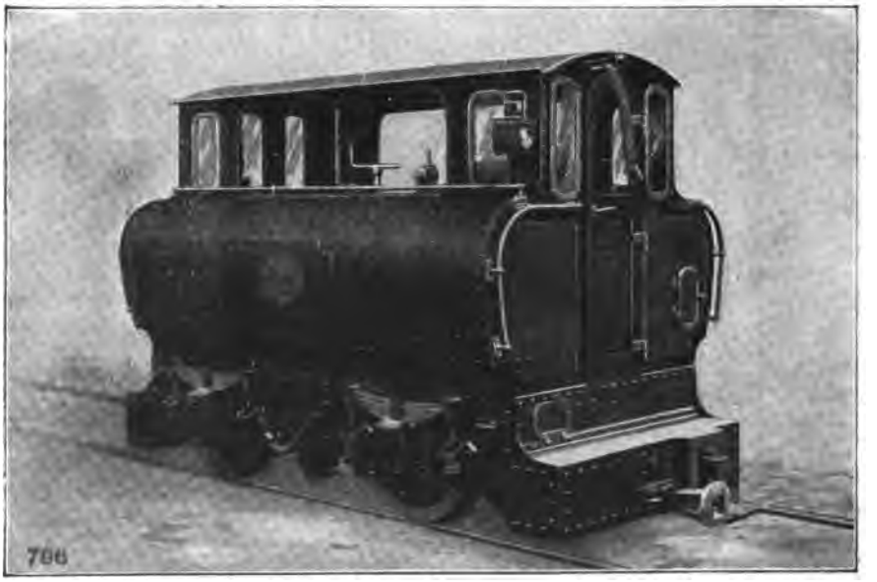
permanent magnet pattern, and respond quickly to the slightest change of load, indicating the correct reading without any preliminary swinging of the needle.

The testing department, which occupies a floor space

Crompton Multipolar Generators.

of 3,000 square feet, is so situate that the transference of machinery can be effected with the least possible labour. The measurements of dynamos and motors under test are all recorded in a room located on the gallery overlooking the testing beds. The equipment consists of Crompton potentiometer sets for continuous current testing, Wheatstone bridges, &c., a complete range of electro-dynamometers for measuring alternate currents, either low or high tension, from ·01 of an ampere and upwards. Also wattmeters measuring from 10 watts upwards, and a complete range of electrostatic voltmeters from 10 volts to 8,000. As a continuous current testing is carried out entirely by the Crompton potentiometer method no heavy current cables need be brought into the testing cabin at all for this, only small potential leads being required. For the alternate current tests the ordinary cables are brought in. The following is a brief outline of the method which has been adopted for testing either dynamos or motors. The dynamo or motor is dropped on to the testing bed, belted—in the case of a dynamo—on to one of the test room motors, the resistance frame is then connected; a pair of light potential leads are run on crutches to terminals on the nearest stanchion, which communicate by permanent wiring to the instrument gallery. An attendant takes his station at the commutator end of the machine to be tested, with a speed counter and electric bell in readiness. The machine is started up and the load put on (a rough indication being given by the amperemeter near the resistance frame), the brushes are adjusted, and when everything is ready accurate readings commence. In the instrument gallery is a large centre-seconds clock, and speeds are taken thus:—A signal is given to the dynamo attendant to prepare. At a second signal the speed counter is put into the end of the dynamo spindle; at a third signal, exactly half a minute after the second, it is withdrawn, and the reading communicated to the instrument gallery by speaking tube. During this half-minute several accurate readings of current and e.m.f. are taken by means of the potentiometer. The machine is then left to run for a number of hours at full load, depending on its size, usually from three to six, and sometimes twelve hours. At the end of this period the machine is stopped for a few moments to enable temperatures to be taken. It is then started up again and complete series of readings at all loads are taken, after which it is stopped and the whole of the resistances are measured and the insulation tested. If the machine is satisfactory it is returned to the shops to be finished off.

As regards the excellent arrangements which have been made for the comfort of the staff we may mention that large mess-rooms and wash-houses are provided for the men, the upper portions being fitted up as recreation and dining-rooms, while the workmen's dining-room is used as a recreation-room for the men in the evenings.



Crompton Electric Locomotive.

In addition to this there is a library, a sports' club, and a sick benefit club, and by the granting of small allotments at a nominal charge and in other ways Messrs. Crompton and Co. make every effort to secure the welfare and goodwill of their employees.

STOCK AND SHARE LIST.

	Shares.	Amount Paid.	Latest Closing Prices.
GOVERNMENT STOCK.			
Chinese Imperial Loan 7 per Cent. Silver, 1894 ...	£98	—	89-91
Chinese Imperial Loan 6 per Cent. Gold, 1895	96½	—	103-105
Chinese Chartered Bank Loan 6 per Cent. Gold, 1895	106	—	103-105
Chinese Franco-Russian 4 per Cent. 1895	96½	—	—
Chinese Hong-Kong Bank 5 per Cent. Gold, 1896 ...	98¼	—	—
Chinese Hong-Kong Bank 4½ per cent. Gold, 1898 ...	90	—	92-93
Chinese Imperial Railway 5 per Cent. Gold, 1899 ...	97	—	95¼-96½
Chinese Peking-Hankow Railway 5 per Cent. Gold, 1898	500 fr.	—	—
Japanese 5 per Cent. Consolidated Internal Silver Loan	—	—	104½-105½
Japanese 5 per Cent. War Loan Bonds	—	—	47-49
Japanese 4 per Cent. Imperial Government Loan, 1899	90	—	88-89
Japanese 5 per Cent. (new issue)	—	—	101-102
Hong-Kong 3½ per Cent. Inscribed Stock	—	—	99-101
BANKS.			
Banque de l'Indo-Chine ...	500 fr.	125 fr.	—
Chartered of India, Australia, and China	£20	£20	41-42
Hong-Kong and Shanghai ...	28⅛	28⅛	62½-63½
Mercantile Bank of India (Ltd.), "A" Shares ...	25	12½	—
Mercantile Bank of India (Ltd.), "B" Shares ...	25	12½	—
National Bank of China ...		8	—
CABLE COMPANIES.			
Eastern Extension Australasia and China	10	10	10¾-11¼
Eastern Extension Australasia and China 4 per Cent. Mort. Deb. Stock ...	Stk.	100	—
Eastern Telegraph	Stk.	100	117-120
MISCELLANEOUS.			
China Mutual Steam Navigation Co. Pref.	10	10	4-5
China Mutual Steam Navigation Co. Ord.	10	£5	11-12
China Mutual Steam Navigation Co. Bonus	£7 10s.	£7 10s.	6-7
Chinese Engineering and Mining Co.	£1	£1	—
Eastern Mortgage and Agency Co. Ord.	10	10	—
Eastern Mortgage 4½ per Cent. Deb. Stock...	Stk.	100	—
Hong-Kong and China Gas	10	10	15-16
Indo-China Steam Navigation Co.	10	10	—
Messageries Maritimes of France	500 fr.	500	—
North Borneo Trading Co. Ord.	10s.	9s.	—
Osaka City Harbour Construction 6 per Cent. ...	—	—	—
Pahang Corporation	1	10s.	98-100
Pahang Corporation 10 per Cent. Pref....	1	£1	—
Pahang Kabang	1	19s. 6d.	—
Pekin Syndicate, Ord.	1	1	5⅛-6⅛
Pekin Syndicate, Shansi Shares	1	15s.	3/8-5/8
P. and O. Steam, 5 per Cent. Pref.	Stk.	100	131-132
P. and O. Steam, Def. ...	Stk.	100	216-219

The New N.Y.K. *s.s.* "Aki-Maru," Built by the Mitsu Bishi Company, Nagasaki, for the Company's Seattle Service.

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日本全國中代理店御設を斗る御所望の方は御照會可被下候

グリーナル氏和林頓仁酒

特に青色商標附の品は香氣完全無缺にして頗る衛生に適す皇朝賢聖十年前も無慮百年間市場に在り以て其價値を知る可し尚ほロンムホーム有名トムあり皆無類の絶品ぶり

GREENALL'S

(ESTABLISHED 1762)

. . CELEBRATED . .

WARRINGTON GINS.

"OLD TOM," (*"Long Tom" Label.*)

"DRY GIN," (*Green Label.*)

THE GIN FOR COCKTAILS.

. . PURE, AROMATIC, and WHOLESOME. . .

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この世界に雷名を轟かしたる庫古しやんぺんは明治廿五年の特製にして其優尚品ぶりを以て上等社會の飲料なることを保證す此庫古は親睦を増し人をして自ら愉快ぶらしむ

CHAMPAGNE

VICTOR CLICQUOT

MAISON FONDÉE, 1892.

Extra Quality, 1893.

SOLE EXPORT AGENT for the above Whisky, and also for **GREENALL'S** Celebrated **WARRINGTON** GINS; **VICTOR CLICQUOT** CHAMPAGNE. Extra Dry, 1893; **LAW'S** PEACH BITTERS:

E. HOPE PEARSE,

ST. DUNSTAN'S HOUSE, IDOL LANE, LONDON, E.C.

Represented in Japan by W. TOICHI TSUMURA,

5, Nichi-Kon-Ya-Cho, Kioshi-Ku, Tokyo.

Summary Table showing the Trade of Japan for February, 1903, as compared with the corresponding period in 1902.

EXPORTS.		February, 1903.	February, 1902.	2 months ending February, 1903.	2 months ending February, 1902.	Increase or Decrease (—).
		Yen.	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Silk Tissues, habutae	Manufactured Articles.	2,245,978	2,401,381	4,071,145	4,687,421	— 616,276
,, ,, kaiki		129,601	301,142	336,071	613,495	— 277,424
Silk Handkerchiefs		203,793	214,804	350,160	292,150	58,010
Cotton Tissues		444,540	234,803	773,121	581,791	191,330
Carpets, hemp or cotton		66,118	41,240	130,813	59,888	70,925
Matches		694,272	731,987	1,021,184	1,001,732	19,452
Mats and Mattings, Hanagoza		577,104	801,010	1,078,818	1,337,543	— 258,725
Porcelain and Earthenware		139,603	170,743	297,731	283,462	14,269
Lacquered Ware		45,907	54,054	84,660	95,587	— 10,927
Umbrellas, European		185,891	188,207	246,880	239,128	7,752
Others		1,612,018	1,122,495	2,826,915	2,072,444	754,471
Silk, raw	Manufactured Articles, Half Wrought.	94,35,339	5,323,023	11,558,066	12,065,795	— 507,729
,, noshi and waste		720,621	641,394	1,415,695	1,202,609	213,086
Cotton yarns		1,261,887	1,416,753	2,541,370	2,886,393	— 345,023
Straw-plaits		384,526	269,351	753,190	500,730	252,460
Tea		122,128	94,277	201,485	180,380	21,105
Camphor		289,552	333,906	526,598	495,731	30,867
Kanten or Colle Vegetable		98,236	205,388	157,138	308,108	— 150,970
Others		857,457	629,927	1,503,679	1,130,373	373,306
Coal	Raw Products.	1,511,135	1,235,952	3,077,274	3,016,016	61,258
Rice		303,843	1,182,014	784,758	2,780,593	— 1,995,835
Cuttle-fish		95,666	132,510	222,323	328,560	— 106,237
Sea-weeds and cut Sea-weeds		87,919	90,696	147,812	145,494	2,318
Mushroom, shiitake		96,676	21,843	173,373	73,933	99,440
Copper, coarse and refined		1,217,982	681,624	3,044,128	1,347,320	1,696,808
Fish Oil		93,126	94,739	136,017	186,941	— 50,924
Vegetable Wax		41,238	36,236	130,227	75,468	54,759
Others		960,351	689,589	1,684,120	1,409,330	274,790
Total Exports		18,846,507	19,341,088	39,274,751	39,398,415	— 123,664
IMPORTS.		*Yen.*	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Cotton, raw	Group I.	4,459,389	12,789,803	12,164,202	19,736,193	— 7,571,991
Cotton yarns		61,901	273,429	94,145	636,741	— 542,596
Wool		194,813	101,493	477,212	306,204	171,008
Iron nails		146,333	166,668	269,911	256,826	13,085
Rail		196,718	70,936	391,322	78,598	312,724
Iron, bar and rod		265,343	339,658	449,550	606,222	— 156,672
Other iron and steel		692,427	447,229	1,261,442	1,090,766	170,676
Indigo, dry		263,615	308,484	539,146	504,854	34,292
Paper (except Chinese paper)		287,836	223,622	594,217	393,435	200,782
Leather, sole and other		96,351	113,084	188,199	243,929	— 55,730
Machinery and engines		535,979	681,581	1,076,739	1,571,888	— 495,149
Locomotive engines, etc.		529,291	211,172	618,427	392,891	225,536
Steam Vessels		50,000	36,950	51,600	154,106	— 102,506
Others		2,866,297	2,853,458	5,737,464	5,692,189	45,275
Mousseline de laine	Group II.	602,028	120,023	871,067	290,700	580,367
Woollen and worsted cloths		156,405	43,546	273,621	105,196	168,425
Italian cloths		91,126	51,121	172,978	112,393	60,585
Flannels		19,089	8,837	22,569	20,605	1,964
Shirtings and Cotton Prints		426,875	516,826	751,890	1,184,095	— 432,205
Cotton Satins and Cotton Velvets		198,660	189,119	385,846	386,906	— 1,060
Sugar, brown and white		1,219,241	640,025	2,945,169	1,265,864	1,679,305
Watches		20,118	16,760	41,706	35,333	6,373
Others		1,318,497	1,109,323	2,639,234	1,907,413	731,821
Rice	Group III.	6,661,759	481,077	9,992,587	886,131	9,106,456
Beans, Peas, and Pulse		257,416	231,853	1,279,815	499,903	779,912
Kerosene Oil		693,425	1,627,381	1,844,087	2,199,601	— 355,514
Oil Cake		188,507	101,770	385,227	125,296	259,931
Others		1,547,800	1,304,774	3,098,229	2,879,689	218,540
Total Imports		24,047,239	25,060,002	48,617,601	43,563,967	5,053,634
Total of Exports and Imports		42,893,746	44,401,090	87,892,352	82,962,382	4,929,970
Excess of Exports		...	...	...	...	...
,, Imports		5,200,732	5,718,914	9,342,850	4,165,552	...

EXPORTS FROM THE UNITED KINGDOM TO JAPAN—MARCH.

Description.	March.		Totals to Date.	
	1902.	1903.	1902.	1903.
	£	£	£	£
Iron—Angle, rod, &c. ...	8,362	—	17,570	—
Do. Bars, wrought ...	—	6,487	—	14,253
Do. Cast and wrought, unenumerated ...	9,766	—	31,918	—
Do. and steel sheets and boiler plates ...	1,591	—	1,950	—
Do. Wrought, unenumerated	—	195	—	3,100
Do. or steel hoops ...	128	—	676	—
Do. and steel for railroads	5,772	—	12,875	—
Lead—Pig...	2,659	4,412	8,200	10,245
Cotton yarn—Grey twist...	13,884	11,751	36,928	40,832
Do. do. Bleached and dyed	—	94	—	738
Do. Piece goods—Unbleached ...	21,917	21,834	56,895	35,533
Do. do. Bleached ...	15,433	11,148	44,245	43,690
Do. do. Printed ...	7,363	9,224	32,308	42,331
Do. do. Manufactured or dyed	16,361	15,402	76,731	82,553
Woollen goods	4,269	5,085	18,127	32,315
Worsted goods	6,132	4,884	25,462	41,610
Machinery (Textile) ...	4,966	6,907	21,310	16,922

EXPORTS FROM THE UNITED STATES TO JAPAN—DECEMBER.

Description.	December.		Twelve months ending December.	
	1901.	1902.	1901.	1902.
	£	£	£	£
Books and printed matter	959	733	7,259	12,712
Cars—Passenger, Freight, &c.	215	519	1,452	26,855
Clocks, watches, &c. ...	899	2,103	32,070	31,565
Cotton, unmanufactured ...	325,339	301,013	1,496,474	1,855,160
Do. manufactured ...	504	515	10,482	4,023
Cycles and parts	4,434	9,047	44,757	83,953
Electrical machinery ...	416	1,075	38,578	68,348
Furniture	270	366	4,625	5,132
Hardware	—	—	18,592	20,784
Hides, skins, &c.	—	—	1,374	2,503
Leather	7,881	2,433	46,081	42,942
Locomotives	—	—	54,997	55,320
Naval stores, resin, tar, &c.	1,656	310	11,923	5,254
Paper, printing, &c. ...	6,098	6,439	41,026	42,858
Scientific instruments and apparatus	4,008	6,447	82,011	57,256
Sewing machines	447	837	5,300	4,958
Steel	—	—	105,349	439
Typewriting machines ...	996	401	3,629	3,054

FORMOSA'S REVISED IMPORT DUTY ON TOBACCO.

It does not appear that the tobacco trade in Japan intend to oppose the new duty on tobacco imported into Taiwan, now in force. The opposition which was originally made against the proposal was because no discrimination was made between Japanese and foreign leaf. The new duty, however, imposes a tax of 150 per cent. on foreign tobacco, and only 50 per cent. on Japanese, showing that the authorities are inclined to protect the Japanese industry. The quantity of Japanese cigarettes imported into Taiwan is not valued at more than 500,000 yen per annum. More than one-half of this amount is represented by Messrs. Murai Bros.' brands, and the remainder are cigarettes made by the firms of Chiba and Iwaya. It is not likely that the duty will have much effect on the cigarette trade in Taiwan, and as large stocks will probably be imported before the new duty comes into operation the price of cigarettes will not be advanced for some time to come.

SAILING LIST.

N. Y. K. Outward Sailings.

	Leaves London	Leaves Middlesbrough	Leaves Antwerp	Arrives Kobé.	Arrives Yokohama.
s.s. **Tamba Maru**	Apr. 24	Apr. 11	Apr. 19	June 10	**June 16**
s.s. **Sanuki Maru**	May 8	Apr. 25	May 3	June 24	**June 30**
s.s. **Hakata Maru**	May 22	May 9	May 17	July 8	**July 14**
s.s. **Awa Maru** ...	June 5	May 23	May 31	July 22	**July 28**
s.s. **Kamakura Maru**	June 19	June 6	June 14	Aug. 5	**Aug. 11**
s.s. **Inaba Maru**	July 3	June 20	June 28	Aug. 19	**Aug. 25**
s.s. **Hitachi Maru**	July 17	July 4	July 12	Sept. 2	**Sept. 8**
s.s. **Wakasa Maru**	July 31	July 18	July 26	Sept. 16	**Sept. 22**
s.s. **Kanagawa Maru**	Aug. 14	Aug. 1	Aug. 9	Sept. 30	**Oct. 6**
s.s. **Sado Maru**...	Aug. 28	Aug. 15	Aug. 23	Oct. 14	**Oct. 20**
s.s. **KawachiMaru**	Sept. 11	Aug. 29	Sept. 6	Oct. 28	**Nov. 3**
s.s. **Bingo Maru**...	Sept. 25	Sept. 12	Sept. 20	Nov. 11	**Nov. 17**
s.s. **Tamba Maru**	Oct. 9	Sept. 26	Oct. 4	Nov. 25	**Dec. 1**
s.s. **Sanuki Maru**	Oct. 23	Oct. 10	Oct. 18	Dec. 9	**Dec. 15**
s.s. **Hakata Maru**	Nov. 6	Oct. 24	Nov. 1	Dec. 23	**Dec. 29**
s.s. **Awa Maru** ...	Nov. 20	Nov. 7	Nov. 15	1904 Jan. 6	**Jan. 12**
s.s. **Kamakura Maru**	Dec. 4	Nov. 21	Nov. 29	Jan. 20	**Jan. 26**
s.s. **Inaba Maru**	Dec. 18	Dec. 5	Dec. 13	Feb. 3	**Feb. 9**
s.s. **Hitachi Maru**	1904 Jan. 1	Dec. 19	Dec. 27	Feb. 17	**Feb. 23**

P. and O. Outwards.

	Leaves London.	Arrives Hong Kong	Arrives Shanghai.	Arrives Yokohama.
s.s. **Ceylon** ...	May 2	June 10	June 16	**June 29**
s.s. **Japan** ...	May 16	June 24	June 30	**July 13**
s.s. **Banca** ...	May 23	July 1	July 7	**July 20**
s.s. **Formosa** ...	May 30	July 8	July 14	**July 27**
s.s. **Candia** ...	June 13	July 22	July 28	**Aug. 10**

P. and O. Homewards.

	Leaves Yokohama.	Leaves Shanghai	Leaves Hong Kong	Arrives London
s.s. **Formosa** ...	Mar. 2	Mar. 14	Mar. 19	**May 3**
s.s. **Malta** ...	Mar. 11	Mar. 24	Mar. 28	**May 3**
s.s. **Candia*** ...	Mar. 20	Mar. 28	April 4	**May 16**
s.s. **Java**	April 2	April 11	April 18	**May 30**
s.s. **Socotra** ...	April 15	April 25	May 2	**June 13**
s.s. **Malacca** ...	May 11	May 23	May 30	**July 13**

*Starts from Kobé.

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Cherry Whisky

Are the most wholesome and popular Liqueurs in use in British Naval and Military Messes, and are increasingly in demand by all Sportsmen. Also

Port.

A Delicious Tawny Wine.

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A light Spanish White beverage Wine. Also

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AN APPRECIATION OF H.I.H. PRINCE KOMATSU.

By the Baroness Alethea Sannomiya
(Wife of the Grand Master of Ceremonies to the Imperial Household).

His Imperial Highness Prince Akihito Komatsu died at his villa at Hashiba, on the Sumida river, on the 18th February last, at the age of 57 years, still in his prime. He had been in good health since his return from Europe in August of last year till December, when brain trouble set in, and, although at first it did not seem very severe, and he recovered so far as to be able to return to Tokio from his summer palace at Nushima on the 30th December, he had a relapse in January, and on the 13th February the final seizure, which terminated fatally. Akihito was the eighth son of Prince Kunuye Fushimi, and was born in 1846. At the age of twelve years he entered the Ninnaji Temple, in Kyoto, according to an old Japanese custom that Imperial princes become priests for some time.

During the revolution against the Shogunate he fought very bravely for the Imperial House, and from a very early age showed an immense will power over others, which power he ever exercised for the welfare of his country and his sovereign. In 1867 he was made Commander-in-Chief of the Imperial Army. A small army, indeed!—of only, at most, 3,000 men! But such men! Absolutely devoted to the Imperial cause—each and every man determined to win or die. The Shoguns' army numbered about 80,000. The Emperor presented a sword and a gold brocade banner (this gold brocade banner is the insignia of the Imperial family), and commanded him to take the field against the Shogunate. In the battle of Fushimi he gained a splendid victory over the rebels and covered himself and his brave men with renown. In the summer of 1868 he suppressed the rebels in Echigo and Tsu, returning in the winter of the same year to Kyoto in great triumph. A striking figure, wearing the old picturesque armour of Japan, he had such a power of attraction, his men simply adored him.

There is a popular war song, "Miya San, Miya San, Omma no maege-ni" ("Prince, Prince, on his charger seated, Brocade banner fluttering in the wind"), which the soldiers still love to sing on their marches. The prince of the verse is Prince Komatsu.

In 1871 he started on his first journey abroad (he was the first of the Imperial family to leave Japan, as he had been the first to take active service in the field, for at least three hundred years), and in England he lived at Warminster, with the Rev. A. Daniells, vicar of that town, where he became well acquainted with English. He returned to Japan in 1872, being recalled by the death of his father. On

his return he entered the newly-organised army as lieutenant, and gradually rose to be the Commander-in-Chief of the Guards.

When the Japan-China war broke out he was appointed, after the death of Prince Arisugawa, Commander-in-Chief of the Japanese Expeditionary Forces in China, and at the conclusion of hostilities was promoted to the rank of Field-Marshal. The second visit to Europe was in 1886, when he was accompanied by the Princess. He was present at the Jubilee of the Queen in 1887. The third visit was as the representative of the Emperor to the Coronation, but owing to the ceremony being post-

H.I.H. the late PRINCE AKIHITO KOMATSU.

poned on account of the illness of the King he was not able to remain for it. He visited on the way home France, Spain, Italy, Belgium, Germany, and Russia, returning in a special train, as the Czar's guest, through Siberia. After a very charming and successful journey, he arrived in Tokyo on the 28th August, in the best of spirits and delighted with his reception in Europe.

Those who met him at the station must have been struck by his exceedingly handsome personality as he stepped from the train, smiling and greeting many dear friends. He was the Honorary President of the Japan Red Cross Society, and the present state of efficiency of that Society is entirely owing to his untiring efforts and wise rule. He had the great gift of tact and of finding the right man for the right place.

Japan has lost in Akihito one of her noblest, ablest sons. His sorrowing friends who mourn his loss say, "We shall not see his like again"; and to these his loss will remain a life grief. He had the entire confidence of the Emperor, who fully relied on his wise advice in all great matters of State—military and civil—and to his Majesty the loss is quite irreparable.

The Funeral of Prince Akihito Komatsu.

In Japan there is no lying in state. But a "chapelle ardente" had been prepared, and in this the body of the Prince remained during the nine days which elapsed after his death before his burial. The body was watched day and night by the Princess, her ladies, and a few intimate friends; the other Princes and Princesses of the Royal Family took their turns to watch in the next room.

In the chapel were offered the rice and wine daily to the dead; and the obituary address from the Emperor was read by the Vice-General Master of Ceremonies, Count Toda. It ran as follows:—

"Born a member of our Imperial House, you gave your hearty support to our policy of the Restoration. You discharged the duties of your important military offices with great sagacity and intelligence. Your spare time was generously devoted to deeds of charity and other humanitarian works. In this way you powerfully assisted the carrying out of the Imperial policy and the advancement of the nation's glory. You rendered such services to the State as few could render. High in the esteem and reverence of all, you were truly a leading member of the Imperial family and a pillar of the country. Now, alas! you are no longer with us! Deeply moved by sorrow at your demise, we hereby order Count Toda to offer the present address to you."

On the day of the funeral—which was according to Shinto rites—the first service was commenced at 7.30 a.m. Offerings of food were made to the dead, homage was paid and branches of sakaki presented, all to the accompaniment of sacred music by the Imperial Band.

The casket was then reverently and tenderly borne to the door of the palace, screened from the public gaze by a curtain. Here, in the presence of the entire Imperial family, it was placed on the bier. From the palace entrance a party of fifty wrestlers—who had begged to be allowed to give this last service—clad in robes of grey linen, took it in charge and carried it, shoulder high, the entire distance of five miles to the Imperial burying ground.

The funeral procession was the longest ever seen in modern Japan. After some mounted police came a squadron of cavalry, four battalions of mounted infantry, four companies of field artillery, a company of engineers, one of the commissariat, and all of the Guards. Following the military came sakaki stands, presented by the Emperor and Empress, and the wreaths of the King of England and the Emperor of Germany. Then Shinto priests, in grey linen robes, preceding a long procession of high military officers, bearing the insignia of the Prince's twenty-

one decorations—each of these being borne on a black velvet cushion.

Guarding the bier were lines of distinguished naval and military officers, the former led by Admiral Viscount Ito, and the latter by Lieutenant-General Baron Yamaguchi; and following them the four chargers of the Prince, their saddles covered with crepe. After the household came the chief mourner, Prince Kanin, the second brother of the Prince, clad in black linen, with a short over-dress of white linen, and walking with a bamboo staff (symbol of the faltering steps of sorrow).

Save for the police and cavalry, the entire procession was on foot, the Princess having driven, with her ladies, by another route, to the gates of the burial ground. The ladies' mourning dresses were of orange-coloured material, with a grey linen over-dress.

Arrived at the burial ground, the bier was placed in a temporary shrine. The funeral ceremony was very simple, yet very impressive. An address was made by Baron Hanabusa, and then a short epitome of the principal events of the Prince's life was read. The representatives of the Emperor and Empress were the first to make the offerings of sakaki. They were followed by Sir Claude Macdonald and Count von Arco-Valley, the German Ambassador. After came the representatives of the Crown Prince and Princess, followed by the chief mourner, the widowed Princess, and the other members of the Imperial family. It was about two o'clock when the last mourner offered his sakaki, and the public then retired, leaving only the family, the household, and a few old friends.

The vault, which is situated on a hill-side, had been covered over by a roof, and there were rows of seats under another roof. The coffin was slowly and reverently lowered, the short white over-dress of the Prince Kanin and that of the Princess were folded and laid, with the bamboo staff, on the top of the coffin, and a stone slab was cemented down over all. The vault was surrounded with white silk and golden brocade banners over all. Each of the mourners threw in a spadeful of finely-sifted earth. The vault having been filled in, a mound was raised high over all, and the memorial tablet temporarily placed in position, surrounded with white silk and golden brocade banners (symbol of Imperial power), sakaki trees in stands, decorated with white paper, enormous cones of flowers (mostly camellias and plum blossoms), and the wreaths of the King of England and of the Emperor of Germany. There were also the hoki or kind of spear, and the white wood altar for the offerings of food, and another for the sakaki branches. The widowed Princess will come here every morning for fifty days; and on each tenth day a solemn service for the repose of the soul is held at the grave.

The sun had set and the short day had closed in as the last mourners wended their way down the hill where they had laid their loved one to rest, surrounded by evergreen pine trees, through whose branches the wind seemed to sigh and chant an everlasting requiem.

ALETHEA YAYENO SANNOMIYA.

Tokio.

THE JAPAN SOCIETY'S 12th ANNUAL BANQUET.

China and Japan.

IN many respects the gathering of the members of the Japan Society on the occasion of the twelfth annual dinner, which was held at the Whitehall Rooms, Hotel Metropole, on the 7th inst., under the presidency of His Excellency Viscount Hayashi, the Japanese Minister, was, indeed, a notable event. The good work that the society has performed in bringing the Far East and West in close touch is now acknowledged on all sides; but in securing the attendance of His Excellency Chang Ta-jen (Chinese Minister) and suite we would venture to say that the officers of the Japan Society have taken a step which should go a long way not only towards demonstrating the good feeling which exists between the Middle Kingdom and the Mikado's Empire, but should prove the means of further cementing the friendly relations of these two nations. Another noteworthy feature of what may safely be termed the most successful dinner yet given by the Society was the charming, distinctly picturesque and harmonious scheme of Japanese decoration, carried out in a fashion that added a brilliance to the scene and redounds the greatest credit on those responsible for the arrangements. The national colours of Japan were represented on each table in a profusion of red and white flowers, here and there interspersed by dwarf trees—many of them of great age—kindly loaned by Mr. S. Eida, a member of the society.

The names of each of the 235 guests were written upon cards emblazoned with the Japanese Service flag. The menu cards, specially designed by Mr. Alfred East, A.R.A., bore an outline of Fuji-san, the famous mountain of Japan. All those attending the dinner were presented with a Japanese teacup, which they were permitted to take away with them as a souvenir of the occasion. An excellent musical programme was also furnished containing the words and music of the "Kimi-ga-yo"—the Japanese national anthem—which was performed when the toast of the Emperor of Japan was given, his Majesty's health being drunk with *saké*. Before the guests took their seats a reception was held by the President (Viscount Hayashi) and Viscountess Hayashi in the ante-room, among those present being :—

His Excellency Chang Ta-jên (Chinese Minister), Sir J. J. Trevor Lawrence, Bart., K.C.V.O. (Vice-president), Sir George Hayter Chubb, Bart., J.P., Sir Edward Sullivan, Bart., Sir Albert K. Rollit, M.P., LL.D., D.C.L., Sir Thomas Jackson, Bart. Major Sir William F. Dupree, Sir Ewen Cameron, K.C.M.G., Sir Lucius Selfe, the Hon. N. C. Rothschild, C.B., Major-General J. H. Bedford, R.E., F.R.G.S., Messrs. Arthur Diósy, F.R.G.S. (Chairman of Council), Chen Mon Ding (Secretary Imperial Chinese Legation), Lieut.-Colonel T. Utsunomiya, I.J.A. (Military Attaché I.J. Legation), Commander K. Nomaguchi, I.J.N., Lieut. K. Kimura, I.J.N., Lieut. S. Furukawa, I.J.N., J. Kamo, Engineer Comdr. I.J.N., R. A. McLean, F.R.G.S. (Council), J. Takenouchi, Staff Paymaster I.J.N. (Council), C. Kadono, M.I.M.E. (Council), Frank Dillon, R.I. (Council), Wilson, Crewdson, M.A. (Council), J. P. Reid (Council), Alfred East, A.R.A. (Council), Jas. Dredge, C.M.G. (Council), Goji Ukita, Chancellor I.J. Legation (Hon. Secretary), Chas. Holme (Hon. Secretary), Marcus B. Huish, LL.B., (Hon. Librarian and Curator), E. Bernard (Hon. Solicitor), Paul Bevan, M.A. (Hon. Treasurer), A. E. Brice (Asst. Secretary), Ivan Chen (Chiese Legation), Keitaro Yamada (Chief Naval Constructor, I.J.N.), Kozo

Taguchi (Naval Constructor, I.J.N.), M. Abé (Secretary I.J. Legation), Y. Obata (Secretary Imperial Japanese Legation), H. Kodama (Japanese Financial Representative in London), Y. Arai ("Jiji-Shimpo"), R. Humphrys, H. Callaway, Y. Yamazaki, Takejiro Sima, Andrew L. Neeson, Rupert Thomas, M. Yanagiya, K. Imaizumi, A. G. Angier, Y. Yamanaka, J. E. Haselwood, W. Ardley, A. A. Longsdon, Professor R. K. Douglas, R. J. Lake, B.A., J. B. Massey-Leech, James J. Marsh, M.D., L.R.C.S., G. Braggiotti, F. D'Iffanger, T. Hamaguchi, B.A., E. S. Rider, Thomas F. Rider, C. Clizzola. H. D. Edwards, G. de Wesselitsky, M. H. Kirkwood, K.C.R.S., K.C S.T., C. W. Armitage, J. Campbell-Thompson, T. Aizawa, A. W. Kiddy, P. Benn, H. A. Bush, Captain W. Adams-Nicholson, R.F.A., W. Oldham-Chambers, H. Nagaoka, E. A. Benn, Hermann Schmidt, T. Aoki (manager London Branch, Yokohama Specie Bank), J. Y. W. MacAlister, F.S.A., J. Manning, W. Manning, Conrad W. Cooke, C.E., R. Cooper, R. Roxborough, M.B., J. S. Birkett, G. Exton, Archibald Chubb, Gerald P. Dumas, Henry J. P. Dumas, J.P., H. Douglas Rhodes, Walter D. Cronin, A. J. S. Lefroy, J. Rossiter Hoyle, J. Sampson, A. J. Mitchell, Chester Ives, John Stuart Pollock, J. F. Mason, H. Mocatta, G. A. Tomkinson, Hatsumi Okuma, W. F. Mitchell, N. E. Winkfield, Charles A. Mitchell, A. Landsberg, A. Kellgren, M.D., George C. Mackrow, M.I.N.A., A. E. Wileman, Percy Baker, J. Welch, W. C. Ward, A. Pelly, W. Elliot, J. Howard Colls, P. Cremieu Javal, J.P., Augustus Durant, J. Strain, M.I.C.E., Reginald J. Nield, S. Komuro (Manager Messrs. Mitsui's London Office), J. Redwood-Davies, G. M. Norrie, J. Evelyn, J. Tregaskis, G. J. Foley, W. Lawrence-Smith, Chas. H. Nash, F.R.G.S., Alexander J. Baillie (Consul for Paraguay) A. C. Butler-Smythe, F.R.C.S., Alfred Dobree, J. Kessanly, George Northcroft, S. Eida, S. Shiboi, &c., &c.

The ladies present included :—

The Viscountess Hayashi, Madame Chang, Lady Selfe, Lady Hannen, Lady Jackson, Lady Lawrence, Lady Cameron, Madame J. Prevet, Madame Félix Evette, Mrs. Arthur Diosy, The Comtesse de Nicanda Trepka, Mrs. A. M. Townsend, Mrs. Percy Boulton, Mrs. P. Bevan, Mrs. French Sheldon, F.R.G.S., Mrs. J. P. Reid, Mrs. E. S. Rider, Mrs. Aoki, Mrs. J. Y. W. MacAlister, Mrs. Centeno, Mrs. Conrad Cooke, Mrs. W. D. Cronin, Mrs. Stoughton Elam, Miss Rosalie Wheeler, Mrs. C. W. Armitage, Mrs. W. Adams Nicholson, Mrs. Abe, Mrs. C. A. Mitchell, Mrs. W. F. Mitchell, Miss Diosy, Mrs. Garland, Mrs. McLean, Mrs. Charles Holme, Mrs. Kadono, Mrs. Huish, Mrs. Alfred East, Mrs. Oswald E. Part, Miss Helen Caddick, Miss Agostini, Mrs. Abé, &c. &c.

The Toasts.

On rising to propose the loyal toast, "The Health of the King," Viscount Hayashi was received with cheers. He said :—

"All present, both British and Japanese, congratulated His Majesty on his safe return from his recent tour on the Continent, where he had done so much for the maintenance of the peace of the world."

The toast having been duly honoured, the Chairman then proposed "Queen Alexandra, the Prince and Princess of Wales, and the other Members of the Royal Family," which was equally well received.

"The Emperor of Japan" was then proposed by Sir Albert K. Rollit in that jocose manner so characteristic of this speaker. His sallies soon drew forth roars of laughter. "The Emperor," he said, "was the representative of the oldest dynasty in the world, being the 121st of his line. That line began in the sixth century before Christ at about the period when Nebuchadnezzar was reigning, when Greek civilisation was emerging from barbarism, when Rome was being built, and when our ancestors painted and tattooed their otherwise uncovered skins. Indeed, the Emperor was a most wise and enlightened ruler, and his reign had been characterised by unparalleled progress in prosperity. The idea that Japanese civilisation was a miracle of a quarter of a century was, of course, an absolute myth, Japan having long been civilised. We were proud to have Japan as a friend and an ally. It was the hope of all present that Great Britain and Japan might be close allies, joined together to promote the peace and progress of the world. Referring to the Japanese Exhibition in London which it was hoped would be held in 1905, he could assure them that such an exhibition would have the fullest support of the London Chamber of Commerce."—Mr. C. Kadono proposed "The Japan Society," which had, he said, done a great deal to make Japan better known to this country, and he trusted the society would continue its good work. The toast having been duly honoured.

Mr. A. Diosy (Chairman of the Council), in responding, referred to the work of the society, remarking that he would like to say a word or two of what the society was not doing. "A good many people still thought," he said, "they were a political society. They were nothing of the kind, and yet he ventured to think that they had fulfilled a great duty in bringing the Far East and the West close together. It was fully recognised by the Governments of both countries interested that this society had done a great work in preparing that public opinion in both hemispheres which had rendered possible the alliance which they all hailed with pride and delight. Another erroneous notion abroad was that which assumed that this society was a sort of department of the Imperial Japanese Legation in London. The society was nothing of the sort. They enjoyed the sympathy of the Japanese Government; more still, they enjoyed—as he was able to speak from personal experience—the cordial sympathy and good wishes of his Imperial Majesty the Emperor of Japan. They were also honoured by having as their President the official representative of Japan in this country. Yet they were a British society, inspired with the true British spirit that accepted the hand of friendship held out to it from any part of the world. They had members in all parts of the world, and they gladly welcomed their assistance. There was another mistaken idea which he would like to remove, and that was that they were in some way a society chiefly constituted to promote the sale of Japanese art wares in this country. That was not a fact. They helped to a great extent the study and investigation of the arts of Japan, but that was

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only one branch of their activity. Active the society was indeed, and flourishing in every direction, so that many who at first refused to believe in the possibility of success were now offering their co-operation, which the society heartily accepted, whilst remembering with gratitude those who had stood by it from the first. In conclusion, he mentioned that a telegram of congratulation had been sent that evening to the Emperor of Japan, and they had also exchanged greetings by telegram with their numerous members in Japan, who were also dining together."

Mr. Goji Ukita (Chancellor of the Imperial Japanese Legation), Hon. Secretary, replied, speaking first in Japanese and afterwards in excellent English. He mentioned that the total number of members was now 1,138, and that the average attendance at their periodical meetings was over 200.

Mr. Alfred East, A.R.A., in proposing "The Arts of Japan," said "that although we admired the courage, perseverance, and activity which had placed Japan in so short a time in the forefront of the nations of the world, yet he could not help saying that the first thing that attracted us to that charming people was its art."

Viscount Hayashi next proposed the health of the guests, which was an addition to the toast list. With it he coupled the name of his Excellency the Chinese Minister, who, by remaining at his post in Peking during the recent troubles in China had greatly facilitated the negotiations with the Allies when they arrived there for the relief of the Legations.

The toast having been drunk with the greatest enthusiasm, the Chinese Minister, who was loudly cheered, responded briefly in his own language. Mr. Iwan Chen, of the imperial Chinese Legation, afterwards interpreted his Excellency's remarks. He said: "The Minister is very grateful for the cordial manner in which this toast had been proposed, and for the kindness with which his own name has been received. It was a great pleasure to him to be present on so interesting an occasion."

Major Sir William F. Dupree (Mayor of Portsmouth), in proposing the last toast of the evening, the health of the President, alluded to the recent publication of his Excellency's book, and also to the visit to his town last summer of the Japanese squadron at the Coronation Naval Review, when he had the pleasure of entertaining his Excellency and the Admiral and his officers.—Viscount Hayashi, in a few well-chosen words, briefly responded. The proceedings then terminated.

BOOKS RECEIVED.

"A Maker of the New Orient." By William E. Griffis. (*The Fleming H. Revell Company, New York and London.*) 3s. 6d. net.

"A Brief History of the Glyptic Art and Architecture of Japan." (*Yamanaka and Company, London.*)

"Japan in the Comity of Nations." By Baron von Siebold. (*London: Kegan, Paul, Trench and Company.*)

JAPAN AND FOREIGN MONEY MARKETS.

THERE was a time, not very long since, when London was the money market of the world, and other important centres, such as Paris, New York, or Berlin, took their note to a large extent from London. But it must be confessed that of recent years, especially since the South African war absorbed the financial energies of Great Britain, the position of London has steadily declined. At present money is undoubtedly scarcer in London than it is in Paris, and it would be more difficult to place a considerable loan in this country than it would be in France or America. The Bank of England rate has stood at 4 per cent. for several months past, and there is little free capital available, except for securities of the very highest standing, and for those which will yield from 5 to 6 per cent., with security of a substantial order.

It is important that our Japanese readers should not be misled by the "gigantic" success of the Transvaal Guaranteed Three per Cent. Loan for £30,000,000 which has just been issued in London at par, and apparently subscribed about forty times over. The success of this issue in no way represents the true position of affairs. Had this loan been left to *bona fide* investors, and had there not been a vast amount of speculation in it, I doubt if it would have been subscribed once, let alone forty times. The applications which have made such a show came for the most part from "stags," who wanted to get the loan allotted to them at par and sell it at once at the market premium of about 1½ per cent. This premium was itself a deceptive and temporary thing, due a good deal more to market manipulation than to any actual purchases by in-

Total value of Specie and Bullion exported from and imported into Japan during March, 1903, with comparison to corresponding period of the previous year.

	March.		3 months ending March.		Increase
	1903.	1902.	1903.	1902.	1903.
Exports.	*Yen.*	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Gold coin & gold bullion... ...	840,000	132,061	2,131,907	271,102	1,860,805
Silver coin & silver bullion...	152,165	128,051	692,081	346,267	345,814
Total	992,265	260,112	2,823,988	17,369	2,206,619
Imports.					
Gold coin & gold bullion... ...	3,486,491	764,939	8,096,758	1,453,630	6,643,128
Silver coin & silver bullion...	329,013	131,219	1,876,595	192,380	1,684,215
Total	3,815,504	896,15	9,973,353	1,646,010	8,327,343
Excess of exports	...	...	...	...	...
,, imports	2,823,339	636,046	7,149,365	1,028,641	...

vestors. Such investors, too, as really wanted some portion of the loan subscribed for many times more than they could take up, because they expected the applications to be huge and that they would only get a small proportion of the amount applied for. The gambling in the Transvaal Loan much exceeds anything which has recently occurred in London, and very little weight should be attached to the apparent plethora of loanable capital. As a matter of fact capital is getting more and more scarce. The resources of Great Britain have for the time being been depleted, and it will take several months, possibly a year or two, before the savings of the country begin to overtake the demand upon them.

I point this out in order to make it clear that London has not at present any desire to invest money in Japan. There appears to exist a feeling in that country that the foreign capitalist is hungering for fresh fields to conquer in the Far East, and that he ought to be kept out in the interests of natives. All this anxiety to choke the foreign capitalist off Japanese industries—there does not seem to be any desire to prevent him from embarking upon Government or municipal loans—is surplusage as far as Great Britain is concerned. But in view of the future and the need which will before long arise in Japan for foreign capital, it may be as well to cultivate a more conciliatory attitude. It is all very well to proclaim the independence of Japan from the necessities of seeking foreign supplies of capital while there is no likelihood of that capital being offered. The thing is safe and a little cheap. But what about the time when capital is urgently required, and is available in the foreign markets? Capitalists will then have the game at their feet, and will refuse to be cajoled, except on prohibitive terms.

There is another danger which may arise out of the straitened monetary position in London. The United States have passed through a period of great prosperity, and there are large accumulations of capital in that country constantly seeking an outlet. The Americans have already obtained a firm hold upon Japanese trade, and there are hardly any limits to the possible expansion. Seeing that Great Britain is to some slight extent out of the running as regards new enterprises, America has all the greater chance; and we shall not be at all surprised if there be before long an attempt to introduce the "Morgan" methods into Japan. The yoke of the British capitalist may be heavy, but it is as thistledown to the yoke of the American trust. The policy of excluding the foreign financier is not far wrong as far as the United States is concerned. The financial methods which have secured predominance there are almost incureably unsound, and lead to overcapitalisation and "watering" of securities. The plain fact is that Japan cannot industrially stand alone, and must bid for support, just as other nations have to do, in the international money markets. An all-round policy of exclusiveness is impossible; and as it is really a question ultimately of which capitalist will be encouraged—British or American—it will be well for the Japanese to make up their minds in time which it is to be.

The Foreign Trade of Taiwan (Formosa) for March, 1903, with comparison to corresponding period of the previous year.

	March.		3 months ending March.		Increase or Dec. (—).
	1903.	1902.	1903.	1902.	1903.
	Yen.	*Yen.*	*Yen.*	*Yen.*	*Yen.*
Exports ...	381,578	638,916	1,236,502	1,415,601	—179,099
Imports ...	1,058,722	852,634	2,588,432	2,110,479	477,953
Total ...	1,440,300	1,491,550	3,824,934	3,526,080	298,854
Excessofexports	...	...	...	...	...
,, Imports	677,144	213,718	1,351,930	694,878	...
Exports, specie & bullion ...	244.097	25,530	443,275	485,459	— 42,184
Imports, specie & bullion ...	28,149	757,439	94,060	843,244	—749,184
Excessofexports	215,948	731,809	349,215	357,785	...

The Yokohama Specie Bank.

ALTHOUGH the accounts of the Yokohama Specie Bank for the half-year to December 31, 1902, show that the bank continues to add to its strength, the trading has been less profitable than was the case a year ago. The gross profits for the six months, after leaving the balance brought forward out of consideration, were 5,838,375 yen, as compared with 5,228,440 yen for the corresponding period of 1901, and the expenses, interest, etc., were 4,397,596 yen, against 3,841,564. The large increase in the outgoing for current expenses, interest, etc., caused the net profits to advance only from 1,387,075 yen to 1,440,779 yen. The decline in the net profits in proportion to the turn-over is noticeable. The advance in the interest paid to depositors is, no doubt, due to the expansion in the bank's deposits from 46,000,000 yen to 58,000,000 yen. We are glad to note that the directors have taken the sound course of reducing the half-yearly dividend from the rate of 13 to 12 per cent. per annum and have made the shareholders suffer slightly instead of in any way sacrificing the reserves. The increase in the reserves has indeed been larger than was thought necessary a year ago, since 150,000 yen has been added to the reserve fund and 200,000 yen set aside as a special reserve to provide for the depreciation of the silver funds. The fall in the price of silver during the past year has made the latter provision most desirable. A year ago the addition made to the reserve fund was only 200,000 yen. This fund now stands at 9,060,000 yen, as against 8,710,000 yen on December 31, 1901, and is more than half as much as the whole paid-up capital. The action of the directors in reducing the dividend in order to strengthen the reserves should inspire confidence in the manner in which the affairs of this bank are conducted.

YEN.

THE P. and O. mail steamers to and from Bombay, China, and Australia, will make their headquarters at the Tilbury Dock, commencing with the *China*, due to arrive in London on the 31st inst. The intermediate steamers to and from Calcutta and China will continue to be berthed at the Royal Albert Dock.

COMMERCIAL JAPAN.

The Principal Industries Controlled by Messrs. Mitsui & Co.

Continued from Page 88.

In our last issue was given a history of the establishment and wonderful expansion of the enterprising Eastern house of Messrs. Mitsui and Co., and now we are enabled to continue this by presenting brief details of some of the principal industries controlled by this powerful firm :—

An Interior View of the Mitsui Bank, Tokyo.

Mitsui Ginko, or the Mitsui Bank, is the outcome of the exchange house founded by Takatoshi in 1679. In 1871 the firm contracted with the Government for the issue of convertible bonds, and about the same time commenced to have erected large buildings, modelled after European types, for the better transaction of their fast growing business. The American banking system finding favour in the eyes of the Government the regulations for establishments of National Banks were enacted. Messrs. Mitsui, in 1872, when the First National Bank was founded, became the principal shareholders, and their own private bank was utilised for carrying on the business under these new conditions. In this way it will be seen that Messrs. Mitsui took a prominent part in the foundation of the first State Bank in Japan. There are branch establishments of the bank in all the principal towns throughout the country, and it is only second to the Bank of Japan in extent of its transactions.

Mitsui Bussan Kaisha is the style under which the general trading and shipowning business is conducted. This is the department wherein the power and resources of the firm of Mitsui and Co. are put forth to their fullest extent, and which has earned for the firm at home the title of Universal Providers, and made it famous to Western nations. The principal articles of the Company's export trade are coal, cotton yarn, raw silk, silver, copper, timber, cotton cloth, rice, sulphur, and matches, and these products find their way principally to the markets of Great Britain, the United States, India, China and Hong Kong. The Company's transactions in the coal trade are of a very extensive character, dealing as it does in about two and a half millions of tons yearly, one-third of the whole coal output of Japan. The coal is of the best quality, and is mined from the Miike, Tagawa, and

Yamano Mines owned by the Mitsui Mining Company. Other notable coal handled by the firm comes from the mines of Hokoku, Kanada, and Ohnoura. Raw silk is chiefly exported to the United States; rice to and from Japan; cotton yarns to Hong Kong and Chinese ports.

The Company's imports are mainly derived from Great Britain and the United States, and these for the greater part consist of cotton, cotton cloth, raw sugar, railway materials, machinery, opium, kerosene, oil, wool, woollen cloth, beans, etc. The firm imports raw cotton from the United States, India, China and Egypt to he value of some 4,000,000 yen, or forty per cent. of Japan's cotton import trade. From Great Britain and the United States machinery and railway ma'erials are imported, and it was Messrs. Mitsui and Co. who first introduced rails and railway locomotives manufactured in Europe or the United States to Japan.

Messrs. Mitsui and Co. own a fleet of seven vessels of gross tonnage aggregating to over 20,000 tons. Their names and tonnage are as follows: The Tsurugisan Maru, 4,129 tons; Hikosan Maru, 3,7000 tons; Kitidate Maru, 3,436 tons; Ariake Maru, 2,975 tons; Fujisan Maru, 2,043 tons; Atagosan Maru, 2,043 tons; Asosan Maru, 1,702 tons.

These steamers are engaged in the transportation of merchandise to and from Rangoon, Shanghai, Java, and other Eastern ports. And, although they carry over half-a-million tons of merchandise annually, they are altogether insufficient to carry the great bulk of the firm's goods. For this reason the company charter steam and sailing vessels on a large scale both in London and the Far East.

Mitsui Kozan Kaisha, or the Mitsui Mining Company, was established in 1892. This, as are the other departments, is a very comprehensive industry, and includes gold, silver, copper, lead, sulphur and coal mines. For the purposes of properly developing and working their mines extensively the Company has spared no expense in providing the very best and the newest mining and machinery appliances, until to-day it is recognised as one of the most gigantic enterprises in the world. In the Miike colliery five mines are working, which conjointly turn out more than 3,000 tons daily, or an annual production of some 900,000 tons. About 3,000 miners and workmen are employed at the colliery, and it is to the credit of the firm that it sees to their health and comfort, their amusements of home life, and to their intellectual education. In addition to the Miike mines the Company recently purchased the Tagawa and Yamano coal mines, with an annual production of 250,000 tons and about 130,000 respectively. Other mines worked by the Company are the Kamioka silver and copper mines, the Tsurugisan sulphur mines, etc.

The Company has the Shibaura Engineering Works at Tokyo, which are among the finest machinery works in Japan. Engines and boilers of the best description are made at the works, and the electric plants, also manufactured at these works, has obtained notable distinction throughout Japan for its excellent workmanship and perfect finish.

Mitsui Gofukuten, the Mitsui Dry Good Stores, are the largest and most fashionable in the capital of the Japanese Empire. They were inaugurated by Takatoshi, as previously stated, for the retailing of silk and cotton goods in general, but since then very many improvements and additions have been made. Lately branch offices have been opened at Kurin, Hachioji, and Fukui, the principal districts of the silk-weaving industries in Japan, and in the silk filatures owned by the Company over 2,300 girls are employed.

The new offices of Messrs. Mitsui at Tokyo, an illustration of which appeared in our last issue, were commenced to be built in 1896, and were completed in 1902.

JAPAN'S TRADE FOR 1902.

If it is desired to gauge the material progress of a country one has to consider what is the foreign trade of that country. Undoubtedly internal commerce is an important factor to be reckoned with, but as this is impeded in a much less degree it forms only a small part of the economic improvement; especially is this the case with Japan. From the figures given below it will be seen that the total of Japan's exports for last year showed an increase of 6,000,000 yen as compared with 1901. Imports, on the other hand, increased by 16,000,000 yen:—

	1902. Yen.	1901. Yen.	1900. Yen.	1899. Yen.
Exports...	258,290,467	252,349,543	204,207,873	214,929,894
Imports...	271,733,536	255,816,645	287,261,846	220,401,926

A marked fluctuation is noticeable if the returns for 1900 are to be taken into account, but this may be attributed to the lavish expenditure of the indemnity received from China. The large increase shown in the import of specie for last year—32,161,359 yen, as against 10,960,750 yen for 1901—can be accounted for partly by the return to Japan of the balance of the Chinese war indemnity, payment of the instalment of the indemnity due under the protocol of 1901, and the sale of Government bonds to the amount of 50,000,000 yen in London last year, a large portion of which has already reached Japan. Exports of specie were down by 12,000,000 yen. This, notwithstanding the excess of imports, would seem to demonstrate that Japan is not indebted to any great extent abroad, the difference of 13,000,000 yen between imports and exports being balanced in some other way. The following particulars are taken from the annual report of the Yokohama (Foreign) Chamber of Commerce.

The export of silk (both raw and manufactured), cotton goods, matting, and matches show satisfactory increases; cotton yarn suffered from the unsettled condition of affairs in Northern China; the demand for straw braid increased; rice was largely imported towards the end of the year, for what was at first thought to be only an unimportant shortage turned out to be more serious than was anticipated, especially in the Northern Provinces, causing much suffering among the poor; but it is exceedingly gratifying to learn that the foreign communities were the first to carry relief to the sufferers in a substantial way, and by their noble example were the means of averting a possible calamity.

The rapid increase in the number of newspapers and the development of the publishing business in Japan has necessitated a large increase in the importation of paper of all kinds. Imports of cotton increased by 19,000,000 yen. The large falling off in the imports of sugar is accounted for by the accumulation of stocks imported prior to the imposition of the consumption tax

in 1901. These stocks are nearly exhausted, and trade will now probably resume its normal course. Indigo still remains firm, despite the competition of the artificial product. Machinery imported last year shows a slight falling off, but this was owing to the demand of the previous year being overdone. There is still a very large demand for labour-saving machines of all kinds, and by a careful cultivation of the wants of the Japanese markets British firms will find a large field for plant of this description. Other items contributing to increase in imports were cloth, Italian cloth, velvets, shirting, cotton goods, and hardware.

Exports.

The following figures show the actual working of the season's exports of raw silk from Japan for the past five years :—

EXPORTS OF RAW SILK, 1ST JULY TO 28TH FEBRUARY.

	1902-3.	1901-2.	1900-1.	1899-00.	1898-9.	1897-8.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
To Europe	20,829	20,662	19,432	16,866	18,584	18,025
,, U.S....	41,058	36,233	21,069	29,148	26,437	30,255
Total ...	61,887	56,895	40,501	46,014	45,021	48,280
Ttl. Piculs	63,736	59,429	41,447	48,007	45,824	49,255

It will thus be seen that the available supplies for export are steadily increasing. The production of silk is not one that can be rapidly increased at will, for the mulberry trees are not of rapid growth; but the cultivation is one peculiarly adapted to the Japanese farming classes, to the climate and the soil of Japan, and encouraged by the Government its increase makes yearly progress. Although the statistics for 1902, in comparison with those for 1901, show an important decrease in the quantity exported, this cannot be assigned to a shortage in production, as the arrivals from the interior up to the 31st December of the 1902-3 season crop show an actual excess of about 6,400 piculs upon those of the 1901-2 season for the corresponding period. The exceptional export of 1901 may be partly attributed to the large stock taken over from the previous year (19,000 piculs) and to the excellent demand which prevailed and enabled holders to dispose of a large quantity of the season's productions before the end of that year.

Unfavourable reports were received from the Koshiu district in July; but, taking the whole country, present appearances are in favour of a larger crop this season than last. The total visible supply at the end of February was 71,377 piculs, against at the same time last year 64,342 piculs, but the remaining supplies of unspun cocoons are reported to be light. Throughout the year the fluctuations of prices were moderate, but generally tending upwards.

The increasing consumption of raw silk by America upset the calculations of European buyers, who after pursuing the hand to mouth policy during several months of the season, in the hope of obtaining a lower level, were at last in the fall compelled to enter the market more liberally. Cocoons in general have been fairly good, but the same cannot be said of the silk produced, carelessness in reeling and consequent irregularity in sizes causing detriment to the quality. Shinshu Filatures, for instance, caused disappointment, and as they represent a large percentage of the silks suitable for America reelers in that district ought to devote greater care to their improvement. Re-reels have been eagerly bought during the whole season, and have obtained prices quite abnormal in comparison with those paid for filatures. The trade, however, was fairly remunerative.

The year 1902 opened at 915 yen for No. 1 Filature, but large purchases for America gave an impetus to the market, and important transactions followed, prices in February advancing to 975 yen for No. 1 Filature. Stocks were considerably diminished, aggregating only about 5,500 piculs, fine size filatures being specially scarce. From February to April the demand considerably slackened and prices steadily declined, Shinshu Filatures, "Kaimeisha" quality, selling at 910 yen. In April reports of frost in several provinces caused some alarm for the crop and created some demand. This soon abated, however. From the end of April to the middle of June a large business, considering the poorness of the stocks, was transacted, holders being free sellers. In the early part of June prices strengthened to 955 yen Filature "Kaimeisha" quality, later in the same month a first settlement in new silk was made at 940 yen.

Up to the end of September the market displayed uninterrupted activity, rates progressing slowly but steadily, No. 1 Filature "Shinshu" touching 1,000 yen. The year closed on the basis of 1,010 for Filature Shinshu "Kaimeisha" quality, and they have since touched 1,060 yen.

The market for waste silk was active with steadily advancing prices as follows :—

	In January.	In August new season's produce.	Closing prices.
Kikai Noshi ...	Y.145 to Y.155	Y.150 to Y.160	Y.180 to Y.190
Kikai Kibizo...	Y.115 to Y.125	Y.125 to Y.135	Y.150 to Y.160
Joshiu Noshi...	Y. 85 to Y. 98	Y. 95 to Y.105	Y.125 to Y.135

The qualities of the better grades of waste were satisfactory throughout the year, low grades showing a slight falling off.

Exports of waste silk 1902 :—

Marseilles	Bales	12,808
Milan	,,	646
Genoa	,,	582
New York	,,	411
Venice	,,	105
Trieste	,,	73
Other Ports	,,	295
	Piculs	45,993

The use of waste for spun silk has not progressed of late. A great deal of good machinery has been set up, but the work has not been economically performed; therefore the consumption by Japanese manufacturers has made but little progress.

SILK PIECE GOODS.—The figures for 1902 show a substantial increase over all previous records, both as regards number and gross value of pieces exported. The export trade, especially to Europe, was unsatisfactory, the demand being seriously affected by the *contre-temps* to the Coronation festivities in London, heavy stocks having been accumulated in preparation for the expected activity of a brilliant "season," and in place of effecting a prompt and profitable realisation European

houses were obliged to carry over their heavy stocks, occasionally sacrificing them in small parcels to keep current with the depressing tendency of the market. The American outlook was also affected by the tone of the London trade, and the demand fell off in sympathy with the European depression.

The high rates ruling for Raw Silk did not meet with a corresponding advance in Habutai prices. Therefore a year which opened with exceptionally bright prospects soon saw a sharp collapse and an almost complete cessation of demand. Quotations on the Japanese markets during the past six months have drooped downwards, whereas the constantly advancing price of Raw Silk has naturally enhanced the cost of Habutai, and local rates pushed slowly up by the determined efforts of the weavers. The above remarks refer principally to the familiar "Echizen" material. Kaga textiles followed a similar course of fluctuation, but occasionally the American demand favoured this style of weave, and some fairly large transactions were recorded, with a resulting increase in price. *Kawamata.*—This style of weave remained fairly popular, especially for some branches of the European trade. The brisk demand, coupled with the increased cost of production, proved too strong a tempation for the manufacturers, who adopted the short-sighted policy of heavily "loading" their material.

The Rangoon trade has not recovered from recent repletion of defective material, and although a few enquiries were received, and a few small shipments resulted, the "cheap Brocade" trade has been far from active. The better grades have found a limited sale, but the market cannot be described as brisk. *Joshiu Weaves* kept a fairly steady course, fluctuating somewhat in sympathy with Raw Silk, but on the whole quoted on a comparatively high basis, with only a limited demand in European markets. The trade in *Handkerchiefs* showed a sharp decrease of over 15 per cent., Great Britain and Australia being the only markets which increased their trade, all others having fallen off to a marked degree. The shipments to Europe show 35 per cent. decrease from the previous year's record, while the United States have taken over 25 per cent. less than in 1901.

TEA.—The season opened with a small supply at the end of April; there was, however, a considerable interval before supplies came in at all freely, arrivals from the best districts being later than usual. Owing to exaggerated reports of a probable shortage of the crop, and to a strong demand from the United States, prices, which at the opening transactions averaged about 2 yen per picul higher than the previous season, rose rapidly 6 to 7 yen, these rates, however, being superseded by still higher ones until 10 to 12 yen per picul over the previous year's prices were readily paid. The quality of the pickings throughout the season was inferior to the previous year, although that was by no means an abnormally good year as far as the first and second crops were concerned. The leaf was wanting in natural oil, and when handled broke up readily into dust and light flaky leaf. Both the second and third crops proved disappointing compared with teas of the previous season, the climax of disparity both in quality and price being reached in the third crop, which in 1901 was an unusually good one. At the end of June settlements at Yokohama showed a shortage of about 15,000 piculs compared with the previous season. At the end of the season the total settlements for all Japan were 12 000 to 14,000 piculs MORE than the previous season. A regrettable point was the falling off in the demand from Canada, Canadian importers refusing to follow the lead of the United States in meeting the higher prices. Another season must elapse before it can be seen whether they will eventually meet these prices, in case they are maintained, or whether the place of Japans will not be taken largely by teas from other countries.

COPPER.—The year under review was far from being a satisfactory one for copper, prices for Bessemer, which may be taken as standard, gradually receding from 30 yen at the beginning of the year to 28 yen per picul in December. The export from Yokohama, which had been 9,850 tons in 1901, rose to 10,150 tons in the present year. Total exports from Japan, however, show a decrease of 2,300 tons in consequence of a steadily growing demand for home consumption.

S.O.

(*To be continued.*)

TWIN SCREW S.S. "IYO-MARU." Built for the N.Y.K. by the Mitsu Bishi Shipbuilding Coy., Nagasaki.
DIMENSIONS,—Length 445 ft. Beam 49 ft. 2 in. Depth 33 ft. 6 in. Gross Tonnage 6,319. I.H.P. 5,105.

THE POSTAL SERVICE IN JAPAN.

An Interview with Mr. Munesuye.

MR. K. MUNESUYE, Director of Posts and Telegraphs in Yokohama, Japan, is at present in London, as a delegate to the Ninth International Telegraphic Conference, which opened on the 19th inst. at the Examination Hall of the Royal College of Physicians and Surgeons, and will be in session for several weeks. Speaking to a representative of THE ANGLO-JAPANESE GAZETTE of the Postal Service of his native country, he said :—

"We have done much to develop our system of posts and telegraphs in the past few years. It is now like the English system, and in its arrangement much more convenient than the French. The French system is hampered by over-centralisation. In comparison to the English system the only advantage we can claim is cheapness. We have the least expensive service in the world, and, so far as concerns the transportation and delivery of letters, the efficiency of our postal department is not below that of such countries as I have had the opportunity to make observations in. It is perhaps as satisfactory in its working as any of the many and various ideas that we have adopted and put into practice in Japan. It is so intimately associated with the daily life of the people that it is more to them than either the Army or the Navy—of both of which we are proud, and to which we give honour as the guardians of our Empire. Foreign critics say that our postal system is the finest thing we have, judging by Western standards. Whether that is true or not, I am sure we have worked hard at it, and hope to make it better.

"The service as it exists now dates from the fourth year of Meiji (1871), when Baron Maejima (then Mr.) introduced the American system on a route along the Tokaido from Tokyo to Kiyoto. Before that there were private agencies—Likyaku-ka—for carrying letters, but they were very slow. The Shoguns, also, since the time of Ieyasu (1603) had carriers under the control of postmasters, called "ekiteishi." The daimiyos, or feudal lords, employed messengers between their castle towns and Yedo, as Tokyo was called under the Shoguns. These irregular and awkward services were all we had with the old system of government, and it may be well imagined that there was little general correspondence.

"Baron Maejima's work extended so far as to embrace the whole Empire in 1872. The postage was not excessive, but the number of stamps issued was limited: 1 sen 6 rin, 8 sen, and 16 sen were the values—that is, 1.6 of a farthing, 8 farthings, and 16 farthings, according to the exchange rates of to-day. Those stamps now are valued highly by collectors.

"We had, besides our own post offices, English, French, and American post offices in Japan for a while. The last of these disappeared in 1879, when Japan entered the International Postal Union. Last year we celebrated the thirtieth anniversary of the beginning of Maejima's work, and rejoiced with him in the honour of Baron which our Emperor conferred upon him. The Baron is now seventy years of age. We look up to him as one of the fathers of New Japan.

"Though we began with the American system, we have been studying other systems constantly, and have made some adaptations from France, Belgium, Germany, England, and Switzerland. At first we had several foreigners in our service, but now we are practcially without foreign assistants, as we have learned fairly well to manage our own offices. The present head of the Department of Communications is Viscount Yoshikawa, who came to London to attend the first of these conventions some twenty years ago.

"Naturally, the development of our postal service has improved greatly with the increase of our railways and steamship lines, but every village in the Empire can be got at by letter, even to the Kurile Islands, where small 'fune,' or junks, carry them with fair regularity, and to the southern end of Formosa. Considering the hindrances the Government's letter-carriers must encounter in some parts of this rather extensive route, three farthings for each half-ounce is not an exorbitant charge.

"We have at present, exclusive of Formosa, about 4,000 miles of railway that carry mails, and other routes that amount to about 30,000 miles. The length of our telegraph wires last year was about 16,000 miles. Post cards in Japan cost 1½ farthings (1½ sen). For parcel post the unit of charge in the city is 5 farthings (5 sen), and to or from a place out of town 10 farthings (10 sen). In England, if not so cheap, the parcel post is more accommodating than in Japan. There is much less fuss here about wrappers. A 'grip' or a hand-bag or a small trunk will go as they are, protected by lock and key only. Whereas with us the regulations demand some further protection. Then, too, one may send glass by post here, but not in Japan. There is more freedom here.

"We handle some 150,000,000 letters a year, and 350,000,000 post cards. We have over 5,000 post offices, and over 1,800 telegraph offices, with over 23,000 officers, and more than 66,000 employees. Sixty-eight per cent. of the receipts go to the expense of maintaining the Department.

"There is no central Dead Letter office; such business is looked after in Yokohama, Kobe, Nagasaki, Tokyo, and Sapporo. Besides Japan we have offices in Korea and Japan—both post and telegraph at Fusan, Jinsen, Keijo, and Söoul, and post offices only at Chinampo, Mokuho, Genzan, Johin, and Masan, for Korea; and for China at Peking, Teinsim, Neuchang, Chifoo, Amoy, Shanghai, Fuchou, Hankow, Shashi, and Nanking. The telegraph service in China is in the hands of the Chinese Government."

"Do you anticipate the adoption by Japan of any of the systems of wireless telegraphy, Mr. Munesuye?"

"Yes. The Japanese authorities are experimenting with the 'Coneless' system, and will adopt it as soon as practicable."

B.

NOTICE.

THE ANGLO-JAPANESE GAZETTE *will be published on or about the 25th of each month. The Annual Subscription is 7s. (3½ yen), payable in advance, post free at home and abroad. Cheques, P.O.O., &c., should be made payable to "The Manager," and crossed "The Hong Kong and Shanghai Banking Corporation.*

All letters relating to advertisements or of a business nature should be addressed to "The Manager," all other communications to "The Editor."

Any correspondence intended for insertion in the **GAZETTE** *should be accompanied by the name and address of the writer, not necessarily for publication, but as a guarantee of good faith. No notice whatever will be paid to anonymous correspondence.*

THE ANGLO-JAPANESE GAZETTE *can be obtained at all Railway Stations or through any Newsagent. Should any of our readers experience any difficulty in obtaining copies, the Manager will esteem it a favour if they would acquaint him of the fact, and a copy will be forwarded from the office.*

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GENERAL NOTES.

THE failure of Russia to complete the second stage of the evacuation of Manchuria has very naturally caused not a little anxiety in official quarters in Japan. The Machiavellian policy of the Czar's advisers has also aroused the attention of the Taigai Doshikai and the Seinen Kokuminto—two anti-foreign associations in Japan—and at a recent meeting of the former society the following resolution, proposed by Mr. Nakahishi Masaki, was passed unanimously:—"Having in view the action of Russia in Manchuria this Society considers that Russia has no intention of evacuating Manchuria, whatever withdrawals of troops may be made in mere form. This meeting, therefore, hopes that the Japanese and the British Governments will without delay cause the Chinese Government to resume its authority of sovereignty over Manchuria, open the region to foreign trade, and ensure the permanent peace of the Orient." Although it is our opinon that Russia will eventually be obliged to carry out the terms of the Convention signed in 1902, let us see what has been the history of this insatiable desire on the part of Russia to absorb Manchuria. The first idea that any such scheme existed may be traced to the action taken by the Russian Government at the termination of the war of 1895.

Russia and Manchuria.

Now, although the question of Manchuria would in the ordinary course be dealt with by the department of Foreign Affairs, it is allied with the expenditure and investment of so much capital that the Minister of Finance considers that it is a question that should be controlled by his department. M. Witte found no difficulty in securing a steadfast adhesion to his policy when Prince Lobanoff was at the head of affairs in the Foreign Office, but with the death of Prince Lobanoff, and the appointment of Count Mouravief, events took a different turn. He (Count Mouravief) was a man with a policy of his own, a policy which ran directly counter to that of M. Witte, and it is this policy of Count Mouravief's which his successor, Count Lamsdorf, has endeavoured to put into execution, as is evidenced by Plançon's recent demand in Peking, "which," says a writer in the "Pall Mall Gazette" whose knowledge of affairs in St. Petersburg may be accepted as generally accurate, "originated with Admiral Alexieff, but was sanctioned by the Minister of Foreign Affairs." "This move," continues the same correspondent, "was made without M. Witte being consulted. No one connected with it dreamed of arousing an outcry in America. That outcry and the protest of the United States Government were what told Witte what had been done. He forced Lamsdorf straightway to deny that the demands had ever been presented.

Thus it can be seen that Witte has as much influence with Lamsdorf as he had with Lobanoff, and without doubt as long as Lamsdorf and Witte hold their respective positions Witte's policy of veiled action, steady and slow, but sure, will characterise Russia's policy in Manchuria. That fact that Russia has no Ministerial Cabinet and no Secretary of State is responsible for this recent blunder in diplomacy, if indeed such a childish error could be dignified by that name." Japan, we are told, is not in a position to make any strenuous objection at the present time, for the simple reason that her merchants are doing a flourishing business under their own names in various parts of Manchuria, and are increasing in number, while not far away, in another province of China which is of much more importance to Japan, thirty thousand or more Japanese are settled. Russia knows the value of foreign enterprise and foreign capital, and we firmly believe that it is her policy to adopt the "open-door" in Manchuria to foreign trade.

SPEAKING of the repeated dissolutions and changes in the Ministry which have been so frequent in Japan of recent years, Marquis Ito, in addressing a meeting of the *Seiyu-kai*, declared that nothing was more injurious to national interests. While making no sacrifice of his political views, he would give his support, he said, to effect an *entente* on the basis of preserving the naval programme without having recourse to increased taxation of any kind; but this arrangement was a purely personal one and would in no way affect the freedom of the Legislature or of the executive. The speech was excellently received; even the extremists refrained from pressing the proposal to hold the Cabinet responsible for the dissolution. Therefore, there is every prospect of a quiet session. The co-operation of the *Seiyu-kai* and the Progressists is now ended.

REFERRING to the great inconvenience experienced by travellers to and from Yokohama on account of the present railway arrangements and the situation of Hiranuma Station, the annual report of the Foreign Chamber of Commerce at that port states that the opinion generally expressed in well-informed circles is that nothing will be done by the authorities and that arrangements are proceeding which, when complete, will abolish Yokohama as a point of arrival and departure for passengers. This

is to be effected by an electric railway—permission for which is said to be have already been obtained—from Hiranuma to Yokohama. The line will pierce the hill at the end of Moto-machi, the tunnel terminating at a spot between Kitagata and Honmoku. The railway is to be continued through the most thickly populated country between Negishi and Katase, where it terminates, branch lines being provided in certain directions. When the proper time arrives the authorities will announce these intended works, in the meantime the facilities for locomotion to and from Yokohama will remain as they are at present. The projected direct line from Yokohama to Hachioji, to be commenced shortly, will have its terminus at Hiranuma, where land has already been acquired for that purpose.

We are glad to learn that the authorities at King's College have at last decided to appoint a Professor of Japanese. This step has become necessary, no doubt, owing to the large number of applications received from Army officers anxious to learn the Japanese language, in anticipation of being attached to various corps of the Japanese Army, in accordance with the recent arrangements, reference to which has already been made in these columns. Heretofore London has been the only one of the great European capitals that has not included the teaching of Japanese at the higher educational institutions. Here, again, we *follow* Germany.

The Japanese Cabinet has decided to abandon the land tax as a means of providing funds for the increased naval expenditure, and it has further been arranged to apply annually to that purpose 6,000,000 yen derivable from the sale of loan bonds, 1,000,000 yen obtained by administrative retrenchment, and 4,500,000 yen from the railway fund. The naval programme will thus be carried out in ten years, the total expenditure under the scheme amounting to 115,000,000 yen. This highly satisfactory arrangement was brought about as the result of the understanding reached between the Cabinet and the Constitutional Political Association, formed by the Marquis Ito in 1900.

It has been definitely decided that the Court of Arbitration in connection with the House-Tax question shall in September next deal with the question of the assessment of foreigners in Japan, as already announced in these columns. Doctor Renault will act for the Powers, and Dr. Motono for Japan. They will designate a third arbitrator, or, if they cannot agree, he will be appointed by the King of Sweden.

The British Commercial Agent at Vladivostock, in a recent report, draws the attention of manufacturers at home to the openings which exist for trade in Eastern Siberia. He estimates the population at 10,000,000. Many of these people require luxuries and other items which could very readily be supplied by British manufacturers. Besides the native population there is a large and increasing number of settlers, and during the last three years a large increase in the naval and military forces has taken place. Large wholesale and retail business houses have been established for a number of years in all the principal towns of Eastern Siberia, and British merchants should endeavour to get into touch with these firms in order to get them to introduce British goods.

The Secretary for Foreign Affairs, replying to certain representations received from the Liverpool Chamber of Commerce for improved postal and other facilities in South-West China, considers it should be the policy of this country to support Chinese Imperial post-offices established under the direction of Sir Robert Hart's foreign staff. Accompanying the reply were some observations from the Acting British Consul at Yunun Fu, who deprecates the establishment of British post-offices in that country.

A forest of camphor trees, covering an area of some 50,000 acres, has been discovered in the southern part of Taiwan, containing, roughly, some 120,000 trees. The trees, which measure from eight to eighteen feet in girth, are estimated to produce 5,850 tons of camphor, worth 1,720,000 yen. In addition to camphor trees the forest also contains a large number of oak trees of the " red-grained " variety.

In connection with the opening of the port of Mororan to foreign trade, the Japanese Government have issued an ordinance, taking effect as from the 1st February last, setting forth the tariff charges and list of articles which may be imported. These include sugar, beverages and comestibles (only those mentioned in Group II., Class I. of the import tariff appended to the law of the fixed rates of Customs tariff), rails, bolts, nuts, chains, dog-spikes, and fish-plates, agricultural and carpentering apparatus and parts thereof, ropes, cords, etc. (of flax, hemp, jute, China grass, or manila hemp), printing paper, paint, oils, oil and wax (only those mentioned in Group X., Class I., as above). Articles exempted from duty include only those mentioned in Class II. of the import tariff appended to the law of the fixed rate of Customs tariff.

Our anticipation that the next report dealing with the commercial intercourse between Japan and the Philippians would show improved results has been amply borne out. The returns now to hand for

January, 1902, show that the exports from Japan for that month amounted to £16,840, as against £12,460 for the same month in the preceding year; or, taking the total value of the exports for the seven months ending January, 1902, we find an increase of £55,460, as compared with the corresponding period in 1902, the figures being £71,237 and £126,697 respectively. On the side of imports of Philippine products we find the figures more striking, in spite of the unsettled state of affairs that obtained in these islands at about that time, the figures being as follows:—January, 1902, £2,240, as against £1,120 for the first month in 1901. The imports for the period August, 1901, to January, 1902, amounted to £147,258, as against £118,074 for the seven months 1900—1901.

THE foreign firms in Japan have recently been appealing against the increased rates levied on certain articles. Only in one instance, however, has the appellant been successful. This was a case where the Customs had decided that galvanised steel telegraph wire should be classed as hard steel, whilst the consignees contended that it was mild steel. The Customs subjected it to various tests, such as heating to white heat, lowering the temperature to a red heat, then bending, or, rather, breaking. The protest was addressed to the Minister for Finance, who decided that it should be classed under the head of mild steel. In the opinion of those competent to judge, the success of this case was due to the care and skill shown in presenting it. Many, if not all the other cases might have resulted in a like manner had the same care been shown in representing them to the responsible authorities.

HAWAII is rapidly establishing itself as a market for Japanese merchandise, the exports to these islands where large numbers of Japanese are settled, from Japan in the first month of the present year showing an increase of £4,530 as compared with January, 1902, the figures being £18,503 and £13,973 respectively.

IT does not appear at all probable that the establishment of a central bank in Korea with note-issuing power will be accomplished without great difficulty. The foreign representatives regard such a step as extremely hazardous, and the Japanese Minister is reported to have warned the Korean Government against the risks attending an issue of paper money unsecured by sufficient reserves. Mr. McLeavy Brown, the Commissioner of Customs, has also lodged an objection to the provision that the bank shall have the handling of the Customs revenue; and altogether it seems unlikely that the bank will come into existence as smoothly as its promoters seemed to anticipate.

IN the course of a very lengthy criticism on an article dealing with the House-Tax in Japan which appeared in our columns some time back, a writer in a Japanese contemporary speaks in rather a sad way of the "very large gratuitous circulation of 'THE ANGLO-JAPANESE GAZETTE' in Japan." We do not in the least object to the attitude which he adopts, but we do strongly object to the use of the word "gratuitous," as likely to cause some false impression. Six months ago such a statement, so far as Japan is concerned, might have applied, but we are pleased to inform our worthy contemporary that such is no longer the case.

WE are pleased to learn that Mr. Brownell's exceedingly interesting work, "The Heart of Japan," has met with so much success that the publishers have found it necessary to prepare a fourth (London) edition. In addition to this there are Continental and Colonial editions, and one for America in preparation by the McClure Company.

THE Mitsu Bishi Dockyard and Shipbuilding Company, of Nagasaki, have under construction a steamer for the Osaka Commercial Steamship Company. The gross tonnage of this vessel, which is to be completed by June, 1904, will be 1,200 tons. Length, 120 feet; beam, 31 feet 6 inches; depth, 21 feet; speed, 12 knots; hull of steel. The cost is estimated at 23,500 yen. The steamer is to be used on the Southern China service.

WE regret having to record the death of Mr. Masuda Kokutoku, one of Japan's most eminent business men. Mr. Masuda was struck down by apoplexy just as he was about to board the train at Shimbashi

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for the purpose of proceeding to the Osaka Exhibition. He never rallied, but died on April 6, at the early age of 52. His elder brother, Mr. Masuda Ko, is the chief manager of the Mitsui Company.

THE death is also announced, at the age of 79, of Mr. Furukawa Ichibei, owner of the Ashiwo copper mines. Mr. Ichibei was a self-made man in the strictest sense of the word. Originally a hawker of bean-curd cakes in Kyoto, fortune took him by the hand. At 22 he entered the service of the Konoike house in Kyoto, whereafter he was adopted into the family of Furukawa Tarozayemon, and initiated into the mysteries of the foreign silk trade under the auspices of the Ono-gumi. After the bankruptcy of the Ono firm, in 1874, he conceived the idea that Japan's future lay in the development of her mineral resources, and, following the inspiration, he devoted himself to getting possession of various mining properties, first that of Kusakura (copper), and then those of Ashiwo, Imai, and Sui. At the time of his death he had a proprietary interest in 69 mines, employing 30,000 men, and producing 20 kwamme of gold, 3,000 kwan of silver, 16,000,000 lbs. of copper, and 400,000 tons of coal. These figures represent 20 per cent. of the whole production of silver in Japan, and 40 per cent. of that of copper.

DURING the course of some remarks delivered at the twelfth annual dinner of the Japan Society (a full report of which appears in another column) Mr. Dicksy called attention to a fact that is well worthy of notice. That is, that the Japan Society was the first body of its kind to take the initiative of inviting ladies to take part in its annual dinners, a custom which has since become general at public banquets in London. His proposal to admit ladies at the outset met with the opposition usually accorded to innovations. "But," said Mr. Dicksy, "I think I may safely say that you all feel grateful to the Society for this when you look upon the charming companions of our feast," and the Chairman of the Council beamed upon the many fair ladies, Oriental and Occidental, surrounding him.

AMONGST these the Chinese ladies attracted a great share of attention, being gorgeously arrayed in their picturesque costume. Madame Chang, the Chinese Minister's wife, wore a head-dress resembling a mandarin's official hat, whilst Madame Chen, the comely consort of the First Secretary, wore a close-fitting head-covering of black silk interwoven with pearls. Both ladies balanced themselves with great skill on their "golden lily" feet.

IN contrast to their Chinese sisters, the charming Japanese ladies all wore European evening dress, but, although they wore it with exceeding grace, one could not help wishing that they had appeared in the beautiful costume which at all times best enhances their beauty.

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SOME ladies had travelled from afar to attend the dinner, amongst them, seated on either side of Mr. Diósy, his sister, Madame J. Prevet, of Paris (the society's senior original corresponding member), and Madame Evette, a charming Parisienne, who is the latest candidate for corresponding membership.

THE Japan Society was well represented at the Court held by their Majesties the King and Queen on the 8th inst. In addition to the President (the Japanese Minister), the list of invitations included the Misses Helen and Ethelwyn Chubb (presented by Lady Chubb), Miss Sybil Diósy (presented by her mother, Mrs. Arthur Diósy), Mrs. W. Adams Nicholson, Mrs. Fletcher (presented by Mrs. Seymour Trower), Miss Edith Haslam (presented by Lady Haslam), and Mrs. Geoffrey Marks (presented by Mrs. Vickerman). Members of the Society accompanying the ladies of their families included Sir George Hayter Chubb, Captain Vickerman, Mr. Arthur Diósy (Chairman of the Council), and others.

AMONGST the officials of the Lord Chamberlain's Department on duty was Mr. Herbert Trendell, son of Sir Arthur Trendell, C.M.G., a member of the Japan Society's Council.

THE following have been elected members of the Japan Society :—Messrs. Albert C. Butler-Smythe, F.R.G.S.; D. G. Collins, C.C. (Chairman of the Port of London Committee of the Corporation of London); W. D. Cronin, Lieutenant H. J. Walmisley Dresser, F.R.G.S.; Kaitaro Ebihara; Naohide Iwano; I. Kamo (Engineer-Commander, Imperial Japanese Navy); L. B. Phillips, F.S.A., A.R.E.; K. Taguchi (Naval Constructor, Imperial Japanese Navy); T. H. Toynbee; Y. Yamazaki (Secretary, Imperial Department of Finance, Tokyo); the new lady members being Madame The O'Gorman and Miss Marcella A. Hincks. Mr. Harold C. Piggott, of Yokohama, has been elected a corresponding member.

IN order to comply with the requirements of the Japanese law the Yokohama (Foreign) Chamber of Commerce has been registered under the title of "Yokohama Foreign Board of Trade."

SOME explanation of Russia's alleged reasons for wishing to adopt the policy of a "closed door" in Manchuria are forthcoming from M. Merkuloff, in a speech delivered at a recent meeting of the Society for the Promotion of Russian Trade and Industry. He pointed out that, in spite of all its persevering efforts, Russia's export trade to China was comparatively infinitesimal. China's imports last year were valued at 320,000,000 roubles, Russia contributing only 28,000 roubles. The high freights from European Russia to the Far East may in some degree account for this. From Odessa to Vladivostock the freight rate is two and a half times higher than that from Hamburg to the same Far Eastern port. Besides this drawback, however, Russian products generally fail to hold their own with those of Western Europe in the Chinese markets. China will never become an important consumer of Russian products so long as there are no flourishing Russian industries on the Chinese frontier, in Manchuria, and on the Amur littoral, and until the Amur railway is built.

THE politico-commercial policy of the Manchurian railway—it were idle to disguise the fact—has in its result been something worse than abortive. Instead of gaining new markets, Russia is losing old ones, and her project of industrial colonisation and development in Manchuria and on the Amur is marred by the foreigner. The present conditions are intolerable. Russia must devise the means of preventing the entry of foreign merchants into Manchuria, except through the ports of Nicolaievsk and Vladivostock, and a general prohibition must be established in favour of Russian trade and commerce in the Amur region.

ACCORDING to certain communications which have passed between the Minister of Communications and the Foreign Chamber of Commerce at Yokohama it would appear that there is no likelihood of the Siberian route being used for the conveyance of European mails for some considerable time to come.

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WOMAN'S PART IN JAPANESE HISTORY.

Some Notable Personalities.

IN MY ESTIMATION, THE HIGHEST PRAISE that can be accorded to the paper read by Mr. Tan Hamaguchi before a crowded assemblage of members of the Japanese Society, at the last meeting, would be to say that it was, without exception, one of the most interesting of the many able discourses on Japanese subjects delivered before members of this society — and that, indeed, is saying a great deal — that it has been my privilege to listen to. In bestowing this meed of praise I feel I am only echoing the hearty applause which followed the conclusion of Mr. Hamaguchi's paper, the large number of prominent Japanese present being particularly demonstrative in their appreciation.

The lecturer, who was introduced by the Chairman (Mr. Arthur Diósy), took for his subject "Some Striking Female Personalities in Japanese History." He (Mr. Hamaguchi) made no attempt to cover the whole field of feminine influence and its effect on the architecture of Japanese history—that, indeed, would have been a stupendous task; he very wisely confined himself to one of the notable women of each of the six periods commencing with the Archaic (660 B.C. — 587 A.D.) down to the Tokugawa period (1603—1866). It is difficult for many of us to fully realise the important part which women have played in the history of nations. This is perhaps, owing to the attitude of reticence adopted by historians when criticising women. They have always, it appears to me, shown rather an inclination to lay bare the failures and wickedness of noteworthy women—owing, perhaps, to the high moral standard adopted by the individual writer—but seldom do we read of their successes or achievements, unless in a spirit leaning to depreciation. Mr. Hamaguchi, however, taking as his authority the records of the most appreciative of the Japanese historians, men "who do not occupy space dilating on almond eyes or raven tresses and vanity or bad temper or such trifles," gives us an admirable *résumé* of the noble attributes and stirling qualities of these six Japanese heroines.

Archaic Period, 660 B.C.—587 A.D.

Much controversy has raged round that portion of Japanese history included in the period covered by the years 660 B.C. to 587 A.D. One European writer has described the records as "one of the greatest literary frauds ever perpetrated. In replying to such a charge the lecturer said:—

I have not enough courage to answer a charge of so severe a nature. Nor, indeed, do I think it is necessary for my present purpose to dwell on the question. You might perhaps consider that if I am not prepared to reply to this criticism why do I include this period in my paper; my answer is, because we have in the chronicle in question a too charming story to be left unnoticed.

During the reign of Jimmu Ten-no, the first Emperor of Japan (660 B.C), there were many independent chiefs — heads of various clans — hostile to the Emperor, a state of things that continued up to a much later date, similar in many ways to those that existed in France during the reign of Louis XI. The country was harrassed not only by disunion at home, but by foes without. During the reign of the ninth Emperor the Coreans invaded Japan, and it was about this time that one of the greatest female characters in Japanese history made her appearance.

To her (said Mr. Hamaguchi) belongs the glory of having conquered the Corean enemies who were retained in subjection during the 400 years. Her brilliant success not only caused the internal disturbance to die out, but it paved the way to a new epoch in our national history: that of the introduction of Chinese civilisation.

After this campaign Japan adopted the arts, the industries, the culture of the Asiatic Continental peoples. These were the features of the period, the development of which was due to the genius and ability of a woman, the Empress Jingo, the consort of the Emperor Chuai. "Jingo," according to such a high authority as Prof. Chamberlain, means literally Divine power. The word "Jingoism," therefore, would seem to have been borrowed from the Japanese vocabulary, for it appears to be nothing else than a corruption of the name of this brave, patriotic woman, who conquered Corea. She was, indeed, a perfect personification of "Jingoism" as rightly understood at the present time. Some years later hostilities, both from within and without, again threatened Japan.

While the Emperor is consulting a deity as to the outcome of the troubles,

A god entered into the person of the Empress saying through her, "Why do you trouble yourself so far as to send an army against such a trifling domestic foe. There is a country with great wealth and civilisation beyond the seas. If you offer me true worship you shall subdue that country without staining your sword with blood and your lesser foe within in consequence will be suppressed."

The Emperor, doubting the Divine message, is punished by death on the spot. The Empress, however, faithful to the Divine will, determined to prepare for the hazardous adventure. She took the precaution to conceal the death of the Emperor, in order not to arouse the suspicion of the soldiers. She then assumed male attire, and resolved to lead the army in person, declaring to the generals,

"If I were to leave the whole conduct of the war in your hands, and you were unsuccessful the responsibility would fall on your shoulders alone, but that I cannot bear, although a woman and unworthy of the post, yet perhaps I have the full approval of a god and the hearty support of all the army. It is for these reasons I venture to marshal the army and share both the successes and failures of the undertaking."

Her instructions to the soldiers might well have been issued by any eminent general of the present time. Unfortunately, no opportunity offers itself whereby we can gauge her strategy and her ability to command, the forces of nature playing almost the whole part.

When the fleet approached the coast of Shiragi, one of the ancient divisions of Corea, there suddenly arose a typhoon and tidal wave, and it seemed as if the whole country would be swept away, while strange to say those who were on the sea were in perfect safety. Astounded and horrified at the sight the Emperor of Korea surrendered before what we might call the divine army and presented to the Empress a document embodying his submission.

This document, written in the most flowery style of Chinese literature, was as follows:—

"Until the sun rises in the West instead of in the East until the water in the river Yalu flows backwards instead of forwards, until the stones on the earth are turned into stars in the sky, our homage

which I swear to render this day shall not cease, let the breaking of my oath be punished by all gods in heaven on earth as well."

After enjoying an unusually long and eventful life the Empress Jingo died at the great age of 100.

Nara Period, 588 A.D. 782 A.D.

Mr. Hamaguchi next dealt with the events of the Nara Period (588—782). This period marks a great epoch in Japan's history. The religious movement has commenced—and as in England at the time of the Reformation, just so in Japan.

Religion and the new idea seem at first to have been accepted only by a limited circle in the royal family and nobility. Nevertheless, those who had definitely accepted them were completely enthralled by the newly-established creed and ideas. Religion became such a dominant factor that priests obtained sufficient influence over the royal family to outweigh the ministers.

The literature of this time comprises the Manyoshu, a collection of poetry which Mr. Aston has styled "a body of verse of an excellence which has never yet been surpassed." Such was the state of things in a period in which the gentler sex found more suitable pursuits than in the unrefined and warlike age which had gone before.

The woman chosen by the lecturer to represent this period is the Empress Komyo, the consort of the Emperor Shomu. The Empress Komyo (or "Glittering Light") was the daughter of one Fujiwara, the head of a noble family whose authority amounted to a kind of hereditary ministership, or, as Mr. Hamaguchi very aptly put it, "a Japanese 'Hotel Cecil.'" During the life of the Empress Komyo

Religious mania reached such a pitch that contempt was shown for all who did not patronise religion in some way or another. Temples were built freely by people and lavishly endowed. As the result of such enthusiasm the land which the Imperial family owned became less than that claimed by the priesthood.

But the Empress had loftier ideals. It was due to her initiative that the first charitable institutions in Japan were established. The "Hi-den-in" (the institution of charitable land) was created for the benefit of the poor. The "Se-ya-ku-in" (institution for distribution of medicine), a State dispensary, where medicine was given away to poor patients, was another.

It was the Empress Komyo who first introduced the system of public bath-houses in Japan. History records how she, in order to prove the sincerity of her purpose, with her own hands washed a thousand poor people. Her accomplishments, however, in the realm of politics do not appear to have been particularly conspicuous. She seemed to lack those essential qualities, cool observation coupled with unbiased judgment.

Heian Period, 783—1192.

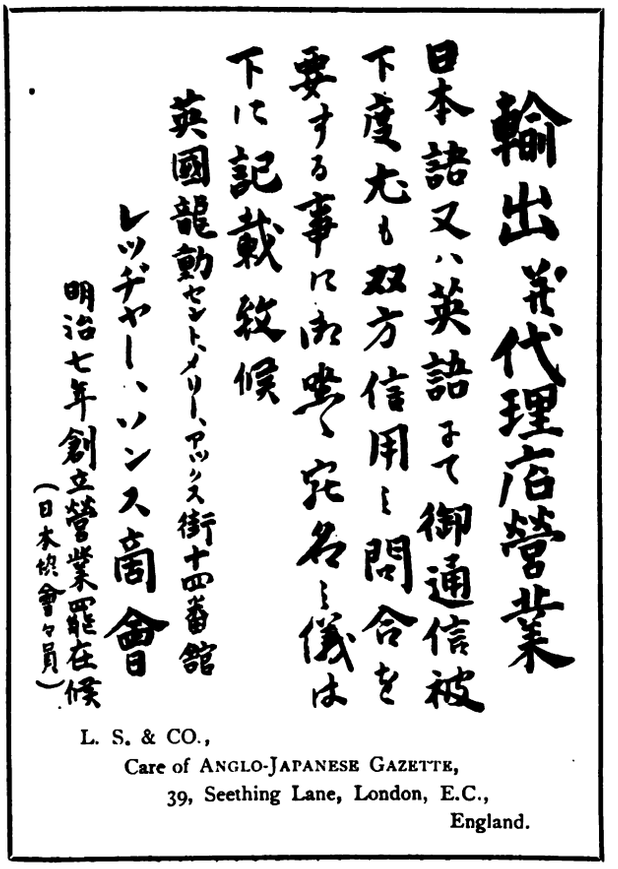
The Heian period appears to have been the age of literature. It was during this period that the Kana, or Japanese alphabet, was first introduced. Two of the most notable works which have been handed down to us from this time are both by women. It is, therefore, not surprising to find Mr. Hamaguchi selecting "Murasaki Shikibu," the authoress of "Genji Mono-gatari," as the representative heroine of this time.

"Murasaki Shikibu" was her *nom de plume*; her real name is unknown. "Murasaki" means purple, and "Shikibu" the name of a court official. The reason for the appellation is to be found in the heroine, Murasaki Nouye, described with marvellous grace in her work, "Genji Mono-gatari." She came from a literary family, her father being one of the most prominent Chinese scholars as well as poets of the time; her genius was already shown quite early.

Various writers, both European and Japanese, have styled this woman's work as "the treasure of Japan." Such an authority as Mr. Aston, speaking of her work, has said: "If we remember that this was written long before Chaucer, Dante, and Boccaccio shone on the horizon of European literature, it will appear a truly remarkarble performance."

Kamakura Period, 1193—1332.

About the commencement of the Kamakura period we find the two great clans, the Minamoto and Taira, engaged in open rebellion against the Central Government. Success finally rested with the Minamoto clan, who chose Kamakura, some three hundred miles distant from Kyoto, for the seat of Government. By this move the Emperor, although he never ceased to be the sole sovereign by name, soon began to lose effective political power. This state of affairs continued right up to the Meiji Revolution of 1868. Another feature of this period was the revival of religion and the formation of a new



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sect of Buddhism, known as the Zen. In connection with this sect the lecturer related rather an amusing story concerning the wife of a Regent. He tells us that

upon her departure to the new life she obtained from the Government the privilege to rescue helpless wives from the hands of cruel husbands (perhaps drunken husbands were included also). When the maltreated wives wished to get a separation or divorce from their husbands they could claim protection under the wing of the temple. Once across the threshold even the Government officials would not be allowed to interfere, still less the furious husbands.

This " Temple of Divorce " was supreme umpire on matters of matrimonial disagreement. The practice of the " privilege of the Temple " was maintained for over 600 years; in fact, up to the commencement of the present reign.

With the death of the last heir of the Minamoto clan the Emperor became anxious to resume actual power.

There arose a rupture between the Kyoto Court and the Kamakura Government. It was a time of imminent danger to the latter, because the Emperor was not the only one who tried to take advantage of the situation, but there were several ambitious generals at Kamakura who had the same deseign. To meet an impending national danger wise counsel of statesmon and able strategy of generals are ever indispensable, but under certain circumstances a few drops of tears and some soothing words carry more weight than anything else, and they are the weapons which the gentler sex alone can employ.

Such an instance presents itself by the action of Maria Theresa, when she appeared before the Diet carrying the infant Prince in her arms. Similar tactics were employed by Mr. Hamaguchi's heroine.

At the council of officials and generals we find her seated on the raised platform, the screen half hanging down in front of her, speaking out as follows :—" Gentlemen, our Government have rather improved the administration than degraded it. And now the Kyoto Court, believing the scandal of the courtiers, is trying to upset us. Is it possible that a Government that has achieved so much should now be punished? The loss of my beloved husband and two sons was already sufficient torture to me, yet I had to see the dear father pass away only recently. Being sorrow-stricken I had no wish to linger on in this world and hope to follow the loved ones if possible. But encouraged and implored by my poor brother I have hitherto been attending to the administration. This is indeed a moment of life or death for our Government, so those of you who remember what my husband and father did for you, give us your hands in allegiance; but if some of you would perchance prefer to render your services to the Kyoto Court speak out at this very moment."

Those present were completely carried away, and pledged their word to share the same fate with the Kamakura Government. Thus is added to history an instance whereby a woman, by the mere expression of womanly feelings, has succeeded in gaining an object which even the ablest of statesmen might have failed in.

The ascendancy of the Hojo family thus established was maintained for another nine generations. Masako died in the year 1225 A.D.

Dark Age, 1333—1602.

The Japanese records of this period throw little light on the early life of the lady, Hosokawa Tadaoki, the heroine chosen by the author to represent this period. She was married to one of her father's colleagues in the household of Oda, but her married life was blighted by her father's assassination of his lord. Her husband, disgusted at the deed which brought such shame upon the family, sent her away to the country, in order to emphasise his fidelity to the late lord.

When the rumour reached her that every member of her family was to be beheaded her attendant urged that, being the wife of a soldier, she should die an honourable death, i.e., by cutting her throat (the equivalent of " Harakari " for a man), rather than receive her punishment from others. She replied :

" I am well aware that if I chose death to-day instead of life by the side of my husband, who is my father's foe, it would be evidence of my filial love, but though I am separated from my husband I am a wife; if I were to act according to my own wish without his approval I should break the law of the three obediences of our sage (the Confucian doctrine that a woman must obey her father in her youth, her husband when married, and her son in her old age). It will not be too late for me to take my life when the soldier comes to capture me."

Lady Hosokawa remained in seclusion for twelve years. At last, however, the great fidelity touched the heart of Toyotomi Hideyoshi—sometimes called by historians the Japanese Napoleon—in whose service her husband had distinguished himself, and he succeeded in persuading her husband to take her back again.

At the death of Hideyoshi in 1598, Tokugawa Iyeyasu sought to asume power. A section of the populace, with a woman, very much after the type of the Marquise De Pompadour, at its head, remained loyal to the family of Hideyoshi. They reasoned that if they could lay hands on the wives of Tokugawa's officers they could force them to come over to their to occupy a position of high standing in Tokugawa's forces, she was asked to allow herself to be taken as a hostage.

Fortunately (said Mr. Hamaguchi), an account of the incident is still preserved by the Hosokawa family. According to this authentic document she was shrewd enough to realise the importance of her procedure. She sternly decided, however, not to be taken as a hostage, because that would have placed her husband at a great disadvantage. Her firmness irritated the officials, who determined to take her by force. Her resolution, however, was stronger than theirs; she could from the beginning see no way but to die. When the force was despatched " she sat quietly writing letters to say good-bye to her husband and son." She had difficulty in dissuading two of the maids-in-waiting who wished to die with her; she urged on them " that if everyone in the house should die who would deliver these letters, who will tell them of my end " ? Then composing a farewell verse she finished her life by cutting her throat.

Full realisation of love and a clear conception of duty, with a readiness to sacrifice one's life, go to make up the true essence of Japanese chivalry. The noble attributes found a true personification in Hosokawa.

Tokugawa Period, 1603—1866.

I fear that the fascination of the subject has tempted me beyond the limits of available space, therefore I must content myself with the briefest possible reference to the sixth and last of Mr. Hamaguchi's heroines, Kasuga-no-Tsubone, the foster-mother of the rightful heir of the Tokugawa.

The Court at this time was full of jealousy, favouritism, and intrigues; consequently the position of the heir was by no means safe, for there were those about the palace who might find an opportunity to supplant the heir by his infant brother.

How much the gravity of the political situation weighed upon " Kasuga-no-Tsubone " was shown by the fact that as soon as the

matter of the rightful heir was settled she expressed her relief and gratitude by endowing with a large sum of money a Shinto temple where she had been praying on behalf of her young charge. When the young Prince was grown up she still remained at the Court as a lady-in-waiting.

Her attachment to her lord was indeed remarkable. When the news reached him that she was slowly drifting towards death he visited her, and offered a cup of medicine with his own hand. She, being touched by his affection, burst into tears and said, "To see you grown up to be a great man governing the country already brings me great satisfaction. Not only that, but myself, as well as my son, have been honoured by your great favour. And now you offer me medicine with your own hand. How can I resist it?" Taking the cup, she just touched the liquid, but never let even a drop pass down her throat. She remembered her pledge to the deity, so went on, sinking day by day. When her last hour approached her lord asked her to pardon the son whom she had renounced, because he would like to have in his service every son of hers. She was very indignant at this, and said, "I renounced him just because I thought he would not make a servant worthy of you. Should you by any chance show favour to him when I am dead it will not please me, but will make me angry."

Faithful unto her lord up to the last moment, Kasuga-no-Tsubone passed away at the age of sixty-five.

ELPHINSTONE-OLIFFE.

A QUESTION OF DATES.

WE have much pleasure in giving space to the following communication from Mr. Tan Hamaguchi *apropos* of an incident which occurred at the recent meeting of the Japan Society.

To the Editor ANGLO-JAPANESE GAZETTE.

SIR,—I am writing to you concerning the extraordinary incident which happened at the meeting of the Japan Society on 13th inst. As you are perhaps aware, when I finished reading my paper, a visitor in the course of some remarks asked me if I was related to "Hamaguchi Gohei" referred to by Mr. Lafcadeo in his book "Gleanings in Buddha Fields" I immediately became aware that she was referring to my father, but I was so excited and so overcome by a certain sensation that I could not even hear her speaking. I knew that I ought to have ascertained the hero's name and the date of the incident, and to have corrected some errors in the story, but it was almost impossible for me to utter even a single word, all that I could do at the moment was to whisper to the chairman (Mr. Diósy) that the remarks had reference to my father. All present must have wondered how a man who lived 100 years ago could have so young a son if I were not an imposter. Having felt very uneasy, I asked Mr. Diósy's opinion as to what I should do, and he advised me to write to you about the matter. I am herewith sending you an explanation and certain corrections of the story concerning my father in "Gleanings in Buddha Fields."

If you would give publicity to this matter and could find space to publish the following details concerning my father's career I should esteem it a favour.—Yours, &c., TAN HAMAGUCHI.

Pembroke College, Cambridge, 20th May.

Accompanying this letter Mr. Hamaguchi sends us the following correct account of the hero of Mr. Hearn's story "A Living God."

(1) My father's name was "Hamaguchi Gihei," not "Gohei." But he was better known as "Hamaguchi Goryo," the name that he assumed in his later years. The change of one's second name in this way is quite common in Japan, but it may be of some interest to your English readers if I explained it fully. "Gihei" being the name of the head of our family, anyone who succeeds to our estates would take the name. When my father retired (in Japan the heir can succeed to the estate by the father's retirement) and assumed the name of "Goryo," my eldest brother became "Gihei," and there is still a man of name of "Hamaguchi Gihei," who is my nephew. Since we have in our family a Japanese sauce factory, the name of "Gihei" is used as the legal name of the head of the family and the business name as well. Without this commercial reason, however, to change one's second name is almost prohibited by law even in Japan.

(2) The tidal waves mentioned in the book took place in 1855, not 100 years ago.

(3) There was not in our family any child of the name of "Tada." The only child there was at the time was my eldest sister, Michi, who was a mere baby then.

(4) The incident on the occasion of the tidal wave was perhaps more thrilling than related in Mr. Hearn's work ("Gleanings in Buddha Fields," pp. 11-28). The earthquake in the year 1855 was perhaps one of the worst ever experienced in Japan. My province, Kishu, did not escape the calamity. On that day (I do not remember the exact date) several bad shocks were experienced. When the sun set there was no sign of improving the situation, the shocks became more frequent and violent; the clouds gathered thicker and thicker. No one would think of taking shelter under a roof at such a time. All the villagers were standing in groups along the street. There were on lights to be observed anywhere, they having been extinguished for fear that they might set fire to the houses should the latter fall. Everyone was waiting for the terrible fate in the darkness of the night. Suddenly it was reported that the sea had shown signs of a tidal wave. The report sounded to the ears of the already much terrified populace like a death sentence. All was confusion; some even went mad. Shrieks and cries were heard on all sides. All at once the people took to their heels, but in vain, because the darkness was already sufficient to prevent their opportune movement; great confusion and excitement reigned on all sides. Some would fall into the ditch, and others would even run seaward. There seemed little hope of any person being saved. Just then it occurred to my father that if he could set fire to the abundant haystacks in the field it would be a great help for them in finding the way. He rushed to the field with a torch in his hand, and set fire to one haystack after another. When the haystacks were once ablaze it was as bright as daylight; the villagers were able to find the right direction and escape to

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the hillside in safety. There was not a single soul left behind but my father, for he was retained by his task. When he started to escape, tidal waves actually invaded the land. Although he was far enough away to escape the unmerciful suction of the wave, yet the break of it was pursuing him. He ran like a mad man, but slower than his pursuer. Suddenly, just as the wave had nearly caught him up, he discovered a stream right in front of him. There was no way of escape but to jump over it. No one could have done so under the ordinary circumstances, for the width of the stream was over three "gen," *i.e.*, 22 feet. But he miraculously did so. The wave was entirely broken by the stream, and my father was safe on the hillside. I can recollect well that in my boyhood I used to bathe and fish in this very stream without realising that it had been the means of saving my father's life.

(5) Although I do not like to contradict the vital point of the story in Mr. Hearn's book, yet facts are facts. That a shrine was built by the villagers in honour of my father during his lifetime is not correct. But, I well remember that the grateful villagers used to call him "Hamaguchi Daimyojin,' which means literally "Great-Bright-God Hamaguchi." To be addressed by such an appellation is the greatest possible honour which could be bestowed, and that is what our family is and ever will be thankful for to the villagers. No shrine was ever built, nevertheless two magnificent monuments were erected in honour of my father after his death. One is at Arita in the province of Kishu (the place mentioned in Mr. Hearn's book), where my family still resides. The other is at Choshi, in he province of Chiba—50 miles east of Tokyo.

PHILANTHROPY REWARDED.

To the Editor ANGLO-JAPANESE GAZETTE.

SIR,—I have the pleasure to inform you that His Majesty the Emperor of Japan has been graciously pleased to confer the Order of the Crown (Ho-Kwansho) on Miss McLean, of the Japanese Christian Institute, in recognition of valuable services rendered by her to the detachments of several warships which have been constructed for the Japanese Government in this country during the last eight years, and to the crews of the squadron which came to British waters last year on the occasion of Their Majesties' coronation.

I shall be most grateful if you would kindly publish the above in your next issue.

I am, Sir, yours, &c.,
(CAPT.) C. TAMARI,
Japanese Naval Attaché.

London, 30th April, 1903.

[It may safely be said that, without a single exception, the many Japanese seamen, whether connected with the navy or merchant service, who have visited this country during recent years have at some time or other benefited by the friendship and hospitality of Miss McLean. Some account of the good work performed by this lady was recently furnished by an officer of H.I.J.M. crusier "Asama" who visited this country last year. After referring to the reported death of Miss McLean, a report which had found currency in Japanese shipping circles, the writer goes on to say, "What was our delight, therefore, when we landed at Plymouth the first person who offered us a most cordial greeting was Miss McLean herself. She had journeyed expressly from London, carrying big parcels of presents for our seamen.

"For many years Miss McLean lived in Japan as the member of a mission board, and ever since her return home she has been devoting her life to befriending our sailors and to procuring them means of spending a pleasant and useful time while staying in England." It is owing to Miss McLean's efforts that Japanese sailors are accorded many special privileges. Railway companies make special discounts, they can visit places under her care at a comparatively small outlay, and even their superiors are placed under obligation to her, for through her good offices many large firms allow a special discount.

[Miss McLean is an accomplished Japanese scholar, being able to read and write the language fluently.]

THE TOKYO ELECTRIC RAILWAY AND FOREIGN CAPITAL.

THE negotiations which have been proceeding for some time between the directors of the Tokyo Electric Railway Company and Messrs. McIlwraith, McEacharn and Company, of London and Melbourne, for the introduction of additional capital in order to extend the first-named company's lines, appear to have been concluded on the following terms:—(a) The share capital to be equally divided between Britishers and Japanese. (b) The Board of directors and auditors to consist of an equal number of Britishers and Japanese. (c) The chief engineer on the work of construction will be a Britisher; to be employed for two years after the conclusion of the construction work. (d) The paid-up capital to be kept at the smallest amount possible at the beginning of the work, and money to be afterwards obtained by means of debentures, issued at the rate of 6 per cent. per annum. (e) In order to effect the flotation of the debentures, a syndicate to be formed in London. (f) This syndicate to supply the railway company with the railway material it needs to purchase abroad, and may contract for other companies also. (g) The net profit of the syndicate, which is to include the commission for the supply of railway stock and for contracts, and the premium on the debentures, to be apportioned to the payment of dividends. (h) This syndicate will be formed by the shareholders of the Tokyo Electric Railway Company, and its directors shall belong to that company. (i) The instalments of the capital of the syndicate to be paid in shares of the street railway company. (j) When the agreement has become operative half the subscribed capital of the Tokyo Electric Railway Company is to be ceded to the British capitalists at a reasonable rate of interest, besides the paid-up capital. Sir Malcolm McEacharn, who has been in Japan in charge of the negotiations, has experienced considerable difficulty, on account of the suspicion which exists amongst a small conservative section of the Japanese regarding any association of their countrymen with foreigners for business purposes. This suspicion was heightened by certain allusions made in a Tokyo paper to the effect that foreign possession of shares in Japanese enterprises was an event of the most ominous description. This journal even went so far as to say that Baron Sone, the Minister of Communications, was "a seller of his country," because he encouraged the negotiations. These people are afraid that wealthy foreign capitalists will, if they are allowed to have anything to do with the control of Japanese undertakings, act against the interests of the Japanese shareholders, as, for example, by setting aside large sums for reserves, and thus diminishing the rate of dividend to which they have grown accustomed. They are not in the habit of placing large sums to their reserve funds—and railways and other public works in consequence suffer considerably.

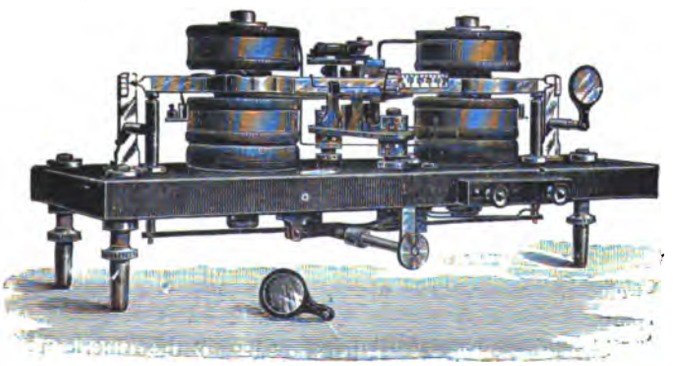
of intensive cultivation. The principal food-stuff of the Japanese is rice, but at the same time we have an abundant variety of grains and cereals.

"The assertion that the Japanese are an imitative not an originating people may have been true, but everyone must walk with assistance before they can walk well, to bring forward new ideas and produce new inventions. The invention of gun-cotton, similar to that used in France and Germany, and the invention of various army rifles, has been accomplished in Japan. In chemistry the Japanese are making valuable discoveries, notably Dr. Kitazato's remedy for diphtheria and Dr. Takamine's production of adrenalin, an indispensable agency in surgical operations. In the science of seismology Japanese authorities rank first of all the world. In Japan we enjoy life. We are optimistic, and the happiest people, I think, in the world. The population is increasing at the rate of half a million annually. We are enterprising, and we are not too conservative to take up new ideas."

BRITISH FIRMS AT THE OSAKA EXHIBITION.—I.

The Electrical Exhibit of Kelvin and James White, Ltd.

This well-known firm of electrical engineers are exhibiting about twenty different types of Lord Kelvin's instruments for use in electrical measurement. All classes and grades of instruments are shown, some being for use in laboratories or test rooms, where great accuracy and sensibility is required, and some are for ordinary central station work, such as for switchboards for traction and lighting purposes. In the laboratory or test room class there are two of Lord Kelvin's well-known balances. These, as our readers are aware, are looked upon throughout the world as the only reliable standards for current and power measurement, and they are used as such by the Board of Trade in the United Kingdom and similar departments in other countries.



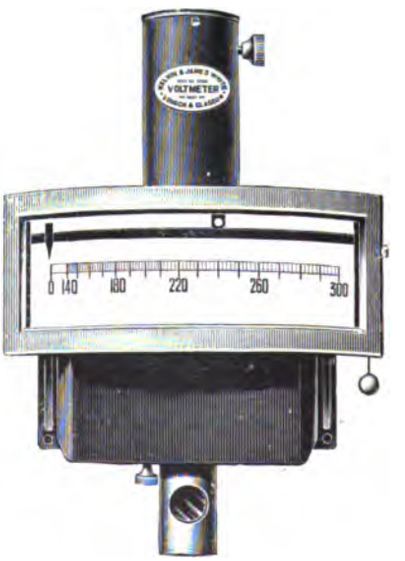
Lord Kelvin's Standard Ampere Balance.

The principle on which they depend and the instrument itself is so well known that it is needless to describe it in detail in these columns, but numerous mechanical improvements have been added from time to time so as to simplify the working, until at the present moment this instrument is practically perfect.

Samples of Lord Kelvin's well-known electrostatic voltmeters, which are again recognised as the standard for volt measurement, are also shown, one instrument being suitable for low pressure and another for high pressure. The low pressure instrument is of a new type, and differs from the well-known old pattern in having twice the length of scale (6 inches),

Lord Kelvin's Combined Ammeter and Voltmeter Portable.

without in any way increasing the distance which the instrument projects from the board. The high pressure type of instrument is intended for use with high tension transmission plant, and in order to render the instrument safe it is fitted in a case of insulating

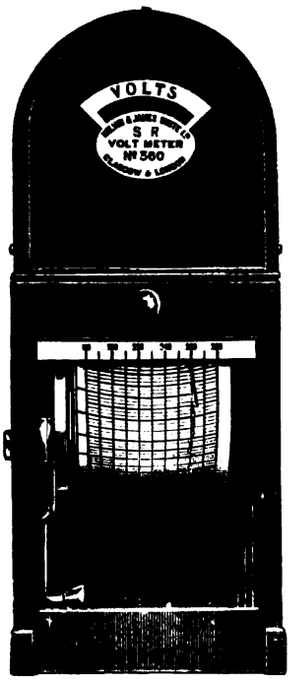


Lord Kelvin's Electrostatic Voltmeter, 6 in. Scale.

material. Numerous ammeters, voltmeters, and wattmeters are also exhibited, of different shapes, sizes, and types, amongst these being the sector pattern ampere gauge and the S.R. or moving coil instruments, so that engineers in Japan will have a good

opportunity of examining samples of the very best and latest English practice in measuring instruments. Some of the instruments are suitable for direct current, some for alternating current, both for distribution and transmission purposes; in fact all types and classes are exhibited.

A very neat insulation testing set, suitable for use in street work is also shown, as well as various galvanometers, resistance boxes, and other testing instruments. For such work as the measurement of atmospheric electricity a portable electrometer is shown, and the exhibit should therefore prove of great interest both to the engineering and the scientific section of Japan.



Lord Kelvin's S.R. Recording Voltmeter.

Since the manufacture of instruments and switch gear are so closely allied, this firm a few years ago, when extending their premises, added a complete department for dealing with switchboard work. The excellence of the work in this direction is proved by the great success which this department has met with, and lately this firm has shipped complete switchboard installations for the following places:—Natal Government Railways, South Africa; Bengal Nagpur Railway, India; Cape Peninsular Lighting Company, Cape Town; Buenos Ayres Electric Lighting Company, South America; Central South African Railways, South Africa; Great Northern Railway Company, England; as well as for about thirty or forty towns in the United Kingdom.

JAPAN'S TRADE FOR 1902.

(*Continued from page 105*).

Iron and Mild Steel Bars.—Imports showed a large increase, namely. 363,000 piculs against 257,000 piculs in 1901. *Pig Iron.*—Imports were 6,300 tons against 8,150 tons in 1901, and 6,400 tons in 1900. The Japanese production continues to develop. *Plates and Sheets.*—These articles showed a fair average business. *Galvanised Flat and Corrugated Sheets.*—A good trade was done in this branch, 118,000 piculs, against 77,000 piculs in 1901, and 121,500 in 1900. Demands are for thinner sheets. *Wire Nails.*—Imports were satisfactory. The Tokyo factory was in operation all through the year. *Tin Plates.*—About 10,000 tons were imported principally for the Imperial Government railways. About 1,000 tons were received from the Government foundry, but did not give satisfaction. The business in small rails fell off somewhat,

Raw Cotton (American) was dull at the beginning of the year on account of big stocks, which were sold at low prices. After the arrival of old contracted goods, however, new orders having been suspended for some time, stocks diminished, and consequently prices went up to 29 yen in April and to 30 yen in July. Mills also tried to use as little as possible American cotton during the summer months, awaiting the arrival of new cotton, which was contracted for in large quantities. In consequence of these large orders the market became overstocked again before long. *Chinese.*—This was offered at very low prices, on account of the decline in the rate of silver. Spinning mills used Chinese cotton to a great extent instead of American, business in the latter staple thus falling slow at the end of the year, when middling was sold at 26.50 yen per picul. Indian Cotton arrived in large quantities, the stock accumulating to 250,000 bales. The cotton yarn market being very inactive indeed stockbrokers competed in pushing off their holdings, irrespective of any change in the Bombay market, and sold goods at exceedingly low prices, Bengal being sold at times at so low a price as 17.50 yen per picul.

Cotton Yarn.—This item turned out very unsatisfactory. In disposing of the heavy stocks carried forward from the previous year serious losses were incurred. *Cotton Prints.*—A fairly satisfactory trade was done in this line' orders showing an increase on those placed the previous year, business being profitable, both to dealers and to importers. The trade in *Cotton Italians and Sateens* was smaller than that ordinarily transacted. *Cotton and Woollen Italians.*—Good business was done, but the consumption was about half that of normal years. *Velvets.*—A more or less satisfactory business is noticeable in these goods. *Victoria Lawns.* — Imports were average in quantity, but trade was adversely affected by a large carry-over of stocks, and prices obtainable at the close of the year were very disappointing. The demand for *Umbrella Cloth* was done at about 25 per cent. Trade prospects for the above enumerated articles for the year 1902 started very propitiously, importers, as well as dealers, looking forward to a healthy and lucrative business, but as the year advanced into the summer, cold and unseasonable weather, accompanied by storms, set in. In consequence the tone of the market became seriously affected, and from the middle of the year deliveries commenced to fall. Contrary to expectation imports of *Grey Shirtings* were on a larger scale than during the three previous years, and deliveries showed an increase on 1901. Early in the year there were sales of some 250,000 pieces. June - August saw the disposal of a further 80,000 to 100,000 pieces. Comparative totals of imports in pieces (all *Greys*) were:—1902, 785,293; 1901, 479,502; 1900, 750,117 *White Shirtings.* — Sales were phenomenally light, high costs ruling throughout April to September being a bar to business. The imports for the last three years have been approximately:—1900, 191,500 pieces; 1901, 57,000 pieces; 1902, 153,700 pieces. The consumption of this item in Japan generally does not tend to decline. *Woollen Cloths.*—The rather heavy imports of the two previous years had a somewhat demoralising effect upon the trade, and the imports for 1902 were consequently smaller. The tendency was in favour of the